COLONIAL REPORTS.—ANNUAL.

No. 17.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1890.

(In continuation of Colonial Report No. 113, Old Series.)

Presented to both Houses of Parliament by Command of Her Majesty.

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1892.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

No.	Colony.	Year.
82	Leeward Islands	1888
83	Natal (Liquor Traffic)	—
84	Hong Kong (Further Report)	1889
85	Bahamas (Fibre Industry)	—
86	Heligoland	1889
87	Newfoundland	1888
88	Mauritius, Seychelles, and Rodrigues	,,
89	Zululand	1889
90	Gibraltar	,,
91	Grenada	,,
92	Bermuda	,,
93	St. Vincent	1888
94	St. Vincent	1889
95	Bahamas	,,
96	St. Lucia	,,
97	British Bechuanaland	1888–9
98	Turks and Caicos	1889
99	Gambia	,,
100	Straits Settlements	,,
101	St. Kitts-Nevis	1886
102	Basutoland (Governor's visit)	1890
102	British New Guinea	1888–9
104	Natal	1889
105	Malta	,,
106	British Guiana	,,
107	Barbados	,,
108	Trinidad and Tobago	,,
109	Western Australia	1889
110	Gold Coast (Agriculture)	1890
111	Labuan	1889
112	Jamaica	,,
113	Falkland Islands	,,
114	Basutoland	1889–90
115	Sierra Leone	1889
116	Fiji	,,
117	Hong Kong	,,
118	St. Helena	,,

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6	British New Guinea	1889–90
7	St. Vincent	1890
8	Bermuda	,,
9	Leeward Islands	1889
10	St. Lucia	1890
11	Bahamas	,,
12	Turks and Caicos Islands	,,
13	Gibraltar	,,
14	Zululand	,,
15	Sierra Leone	,,
16	Barbados	,,

No. 17.

FALKLAND ISLANDS.

[In continuation of Colonial Report No. 113, Old Series.]

Sir R. T. GOLDSWORTHY to LORD KNUTSFORD.

Government House, Stanley,
June 15, 1891.

MY LORD,

I HAVE the honour to enclose herewith two copies of the Annual Blue Book of the Colony for 1890, together with a report thereon by the Acting Colonial Secetary, Mr. F. S. Sanguinetti.

I have, &c.

(Signed) ROGER TUCKFIELD GOLDSWORTHY.

The Right Hon.
Lord Knutsford, G.C.M.G.
&c. &c. &c.

REPORT on the FALKLAND ISLANDS BLUE BOOK, 1890.

Legislation.

During the year 1890 nine Ordinances were passed by the Legislative Council. Of these the following call for remark:—Ordinance No. 2 of 1890.—An Ordinance to amend Ordinance No. 6 of 1889, to amend the Laws relating to Jurors and Juries. This Ordinance was rendered necessary by the disallowance of an Ordinance to abolish the coroner's court. In Section 1 of Ordinance No. 6 of 1889, no provision was made for jurors at coroners' inquests consequent on the proposed abolition of the coroner's court, but the abolition not being allowed, it became necessary to provide for them.

Ordinance No. 4 of 1890.—An Ordinance to amend Ordinance No. 2 of 1889, entitled An Ordinance to amend the Customs Consolidation Ordinance, 1882. The amendment was introduced with a view of reducing the tonnage dues on vessels entering at ports of the Colony other than Stanley, the chief port, on the East Island, as complaints had been made of the rates levied which would be severely felt, it was represented, when large steamers called at the West Falkland Island for frozen mutton as it was anticipated they would do. The Ordinance also provides for the appointment by the Officer of Customs in the West Falkland, when ill or unavoidably absent, of a deputy. Advan-

FALKLAND ISLANDS.

tage was taken to provide at the same time for the importation of perfumery and Cologne water, and lemonade, ginger beer, and ginger ale without the admixture of spirits, free of duty, as also of methylic alcohol under certain restrictions.

Ordinance No. 7 of 1890.—An Ordinance for taking the Census of the Falkland Islands.

Ordinance No. 8 of 1890.—An Ordinance to provide for the insurance of parcels in the post. This Ordinance was framed in consequence of a representation from the Postmaster-General who stated that the insurance on parcels from Great Britain to India had already been established and had worked so satisfactorily that it would probably be established in all Colonies, and it was considered desirable to accede to the suggestion that this Colony should adopt the system.

Ordinance No. 9 of 1889 which provided for compensation to a limited amount in the case of uninsured parcels was repealed, but a similar provision is inserted in the present Ordinance.

Ordinance No. 9 of 1890.—An Ordinance for authorising the sale and conveyance of certain lands of the Crown to the Falkland Islands Company and other lessees of the Crown. In connexion with this Ordinance it seems desirable to set out at some length the history of the legislation affecting the Crown lands.

The first Proclamation, throwing open the Crown lands to settlers, is dated 31st July 1849. Its chief conditions were :—

1. That the purchase of any quantity of rural land of not less than 160 acres could obtain a license, on payment in advance of a rent of 10*l.* per annum, to depasture stock, subject to a limitation of the area of each station between six miles and 24 miles of Stanley at 6,000 acres, and beyond 24 miles of Stanley at 10,000 acres. The term of such license was fixed at 20 years in the first instance, renewable by the Governor, no land included in the license to be sold by Government during the continuance of such lease.

   NOTE.—The terms "license" and "lease" are used as taken from the Proclamation. Licenses were first granted to settlers and were afterwards on certain conditions transformed into leases. Boundaries of stations marked out by individuals were to be adopted until a survey could be made, provided the Governor judged that they "reasonably fulfilled" the conditions of the license.

By a Proclamation of the 4th April 1861 any person on application and on payment of 5*l.* could obtain a license to occupy a station for one year only, not renewable. Each station was to contain as near 6,000 acres as convenient. At any time before the expiration of the license, the licensee could obtain a lease of his station for 10 years at a rent of 10*l.* a year, provided he proved that he had erected a house of certain dimensions and had stocked the land with a certain limited number of cattle, horses, or sheep. Within five years the lessee was required to purchase at

the upset price of land for the time being, (not exceeding 8*s.* an acre,) a section containing not less than 160 acres and any further quantity might be purchased at the same price. Provision was made for granting an extension of leases for five years to the lessee under this or the former Proclamation on the same terms as to rent or occupation as in the first lease, but no lessee under the Proclamation of 1849 was to receive an extension of his lease for more than 6,000 acres. No person was to be licensed for more than one section at the same time, and no lessee of any district (district comprising not more than one station, under the Proclamation of 1849) was to be licensed to occupy a station unless his district was stocked and occupied. Every station was to be defined with reference to the nautical chart of the Colony without further survey.

The West Falkland Island was not then taken up, and on the 24th June 1867 a Proclamation respecting the Crown lands on that Island was issued. The conditions prescribed were substantially similar to those in the Proclamation of 1861, except that the licensee might obtain a lease of his station for 20 years at 10*l.* a year for each 6,000 acres.

In 1870 all previous Ordinances and Proclamations were annulled by the enactment of an Amalgamation Ordinance, No. 6 of 1870. Its chief provisions gave settlers on both Islands occupation licenses and running leases for 7, 14, and 21 years at the rent of 6*l.* a year for each section of 6,000 acres for the first 10 years and afterwards at 10*l.* a section. The upset price of land was lowered to 2*s.* an acre. The conditions and concessions of former Proclamations were substantially repeated in this law. The Ordinance was, however, disallowed.

An Ordinance No. 4 was enacted in 1871 fixing the price of country lands at 4*s.* an acre and reserving (for the first time) to the Secretary of State for the Colonies the right to raise or lower the price; otherwise the conditions as to licenses and leases and the compulsory purchase of a certain acreage remained unchanged.

Most of the leases now in force were granted in accordance with the provisions of Ordinance No. 6 of 1870, which, as previously stated, gave the lessees the pre-emptive right of purchase at 2*s.* an acre. Although that Ordinance was disallowed the lessees under it were confirmed in their leases by subsequent Ordinances, and for a long time they contended that they had the right to purchase at 2*s.* an acre all the land they held.

By the Land Ordinance of 1882 the rent reserved in every lease to be granted under that Ordinance, and as leases fell in and were renewed, was raised to 20*l.* a section. After the passing of this Ordinance several lessees applied tentatively to be permitted to purchase their holdings at a price which, when capitalized, would give the same amount of revenue as the 20*l.* rent, or as nearly as possible, supposing 2½ per cent. interest to be obtained, viz., 3*s.* an acre. The first direct application, however, came from the Falkland Island Company, on the 9th September 1890, and was submitted

FALKLAND ISLANDS.

to the Secretary of State for the Colonies.. The Company desired to purchase 97,128 acres which they held on lease at 3*s.* an acre, the purchase money to be paid within 10 years. This offer was accepted. It became necessary, therefore, to pass an Ordinance authorising the sale of lands at a lower rate than that fixed by the Ordinance of 1871 on condition that lands held by lessees should be purchased "en bloc," thus preventing selection.

Finance.

At the beginning of the financial year, 1st January 1890, a surplus remained of 4,566*l.* 13*s.* 4*d.* The revenue of 1890 was 9,492*l.* 12*s.* 2*d.* and the expenditure 9,456*l.* 17*s.* 11*d.*. The receipts show a net increase of 722*l.* 12*s.* 2*d.* over the previous year, the principal increases being customs, 517*l.* 1*s.* 2*d.*; postage, 167*l.* 17*s.* 2*d.*, and interest on savings bank investments (not properly to be classed as revenue) 259*l.* 7*s.* 9*d.* The following is a comparative statement for the last three years of revenue and expenditure :—

	1888.	1889.	1890.
	£ *s.* *d.*	£ *s.* *d.*	£ *s.* *d.*
Revenue - -	8,951 10 4	8,628 0 2	9,492 12 2
Expenditure -	8,818 5 8	9,720 12 8	9,456 17 11

Public Debt.

There is no public debt.

Legislative Council.

Mr. Frederick Shedden Sanguinetti who was appointed to act as Colonial Secretary took his seat on the 29th December 1890.

Civil Establishment.

Mr. Edward Pakenham Brooks, Colonial Secretary, Treasurer, and Police Magistrate proceeded on nine months' leave of absence on the 15th July 1890, and Mr. Frederick Shedden Sanguinetti of the Colonial Secretariat of Jamaica, appointed by the Secretary of State for the Colonies, temporarily assumed Mr. Pakenham Brooks' duties.

W. McDaid, gaoler of Stanley gaol was dismissed on the 2nd June 1890 and H. Adams was appointed in his stead.

Education.

There are two Government schools in the Colony, both in Stanley on the East Island, a senior and an infant school.

The numbers on the rolls in the years 1889 and 1890 were:—

Senior School.

	1890.	1889.
Boys - - - -	52	51
Girls - - - -	32	26
Total - - -	84	77

Infant School.

	1890.	1889.
Boys - - - -	57	36
Girls - - - -	58	48
Total - - -	115	84

And the average attendance:—

Senior School.

	1890.	1889.
Boys - - - -	32	35
Girls - - - -	17	20
Total - - -	49	55

Infant School.

	1890.	1889.
Boys - - - -	25	26
Girls - - - -	26	30
Total - - -	51	56

Through the prevalence of an epidemic of whooping cough the schools were closed for two months during 1890.

The attendance of the children is somewhat fitful, owing in some measure to the help which is required at certain times and seasons by the parents of those children able to give it.

Legitimate excuses for an hour's absence occasionally are put forward such as "taking father's breakfast," and in the summer, "helping to rickle peat." But it must be admitted that many parents are negligent in the matter of their children's education, and although there is legal power to enforce attendance it is not easy to carry it out, as there is no officer specially charged with the duty, and the law is otherwise defective.

An elementary school for boys and girls is conducted by the Roman Catholic priest, the numbers on the books during 1890 being 64. This school receives no aid from the Government. The children in the several "camps" or sheep stations, on the East Island are quite without any means of education with the exception of the Falkland Islands Company's station at Darwin where a schoolmaster is provided by the Company.

On the West Island there is no school of any sort. This state of things is much to be regretted and it seems to call urgently for remedy. The difficulty lies in the scattered location of the houses and the absence of means of communication. A remedy might be provided in the shape of a peripatetic schoolmaster visiting certain centres for these children.

Government Savings Banks.

This bank was opened in April 1888 under the provisions of Ordinance No. 1 of that year. Depositors are allowed 2½ per cent. on their deposits. The number of accounts and the amount

of deposits have been as follows during the three last financial years, which, in this case, end on the 30th September :—

Year.	Number of Depositors.	Total Amount of Deposits.
		£ s. d.
1888 - - - -	32	4,201 1 5
1889 - - - -	100	15,139 4 3
1890 - - - -	157	17,810 12 5

Taking the population to be in round numbers 1,900 this gives an average of 9*l.* 3*s.* 1*d.* per head, excluding an investment on account of intestate estates.

The majority of the depositors are shepherds employed on farms, thrifty, true to the traditions of Scotland, from which country most of them have emigrated. The population of these Islands being limited it is apparent that the deposits may not rise to any great extent for some years.

Withdrawals of considerable sums have taken place from time to time which there is reason to believe have been invested in sheep farming in Patagonia.

The assets of the bank are invested in colonial securities and in consols, the average rate of interest received being 3½ per cent. The Bank showed a net profit of 114*l.* 18*s.* 6*d.* on the 30th September last, after providing for the moderate expenses of management.

Trade.

The value of the imports in each of the last 10 years has been as follows :—

Year.	£
1880 - - - - -	33,505
1881 - - - - -	40,443
1882 - - - - -	35,429
1883 - - - - -	52,913
1884 - - - - -	67,848
1885 - - - - -	48,314
1886 - - - - -	73,602
1887 - - - - -	66,785
1888 - - - - -	54,008
1889 - - - - -	55,716
1890 - - - - -	67,182

showing an increase over the average of the three previous years of 8,346*l.*

FALKLAND ISLANDS.

The exports for the corresponding period were as follows:—

Year.	£
1880	88,564
1881	87,919
1882	76,922
1883	84,593
1884	101,338
1885	97,846
1886	108,946
1887	107,995
1888	88,743
1889	116,102
1890	115,845

being an increase of 1,565*l.* over the average of the three previous years and a slight decrease of 257*l.* as compared with last year.

Public Works.

Under this head a sum of 1,110*l.* 15*s.* 8*d.* was expended during 1890. Owing to the want of any system in carrying out public works, it is impossible to specify with any approach to accuracy what has been the result of the expenditure. It may, however, be mentioned that a substantial sea-wall of about 100 yards has been built in Stanley and that the two school-houses in that town have been put into a state of good repair.

The condition of most of the Government buildings, inadequate as they are in construction and accommodation for the uses to which they are put, the unformed streets and roads, and the absence of proper drainage in the town of Stanley, must lead to a large expenditure in the future if this state of things is to be remedied.

Vital Statistics.

The population of these islands may be very fairly taken taken as 1,973. The births registered during 1890 number 75, being ·038 of the population, and the deaths 28, almost exactly one-half of the increase. The death-rate was swollen this year by an epidemic of whooping cough and influenza which was mostly confined to children, and prevailed to a sad extent for so small a community on the East Island during the closing months of the year.

The Colonial Surgeon, who resides at Stanley, on the East Island, reports that the rarity of pulmonary complaints there is remarkable, and, he considers, peculiar to the Falklands. The air, he points out, is very pure; abundant ozone and iodine, set free from the kelp, contribute to its health-giving character acting as prophylactics against pulmonary phthisis. The same authority remarks in his annual report:—"Many children have died from tabes misenterica, "or abdominal phthisis, a scrofulous disease of mal-nutrition, the "food not being assimilated to the animal economy." He ascribes as a prominent cause, "early marriages and neglect of "hygienic rules." Of the dwellings of the majority of the labouring

classes in Stanley it may safely be said that cleanliness is little sought after, and that their surroundings are highly insanitary.

Of the West Falklands the Assistant Colonial Surgeon reports that during the year there was a severe outbreak of whooping-cough among the Fuegians on Keppel Island, the centre of the operations of the South American mission. "All natives," he says, "were attacked as well as one adult European." Five deaths occurred among the natives. The same officer further draws attention to the fact that two kinds of catarrh are very prevalent at all times in the West Island, viz., nasal catarrh and gastro-intestinal catarrh, the latter most common in children. But he is unable to give any reason for the prevalence of these two forms of disease.

General.

The winter of 1890 was fair throughout, little snow fell and the frosts were not severe. The summer was very wet, with the beneficial result of abundance of pasturage and good garden crops.

On the sheep farms the lambing was above the average, and the clip of wool exceptionally heavy. The Falkland Islands wool of 1889 realised, it is understood, from 6*d.* to 10*d.* per lb. all round. It is too early yet to say what the 1890 wool has fetched, as all of it has not yet been shipped.

The artisan and labouring classes in this Colony have much to congratulate themselves upon. A carpenter's wage averages 1*s.* an hour, and when engaged on the repairs of ships 2*s.* an hour or 16*s.* 8*d.* a day. Stonemasons receive 8*s.* 4*d.* to 12*s.* 6*d.* a day, and an ordinary labourer 6*s.* a day. Actual necessaries of life are very cheap. Beef is 3*d.* per lb., and mutton 2½*d.* per lb., bread is 3*d.* per lb. Peat, the usual firing and cooking material, costs only the labour of cutting and carting. In the absence of competition, however, such articles as clothing, tea, and butter are much higher than in England. There are no taxes worth mentioning. It would seem that there is room for many more artisans in the colony. A few more blacksmiths and tinsmiths, carpenters and joiners, masons, boot-makers, and tailors would restore the balance between labour and capital, now greatly in favour of the former.

The community is very orderly, crime being rare. There was only one case brought before the Supreme Court during the year, and in other places would have been disposed of summarily by the police magistrate. Nine ships put into Stanley Harbour in distress, less than the usual number. It is to be feared that the delays and high charges incident to the repair of vessels here have rendered the port a place to be avoided if possible.

(Signed) FRED. SHEDDEN SANGUINETTI,
Acting Colonial Secretary.

Stanley, Falkland Islands.
June 19, 1891.

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COLONIAL REPORTS.—ANNUAL.

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No. 50.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1891.

(For Report for 1890, *see* Colonial Report [Annual] No. 17.)

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1892.

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COLONIAL REPORTS.

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ANNUAL.

No.	Colony.	Year.
13	Gibraltar	1890
14	Zululand	,,
15	Sierra Leone	,,
16	Barbados	,,
17	Falkland Islands	,,
18	Labuan	,,
19	British Honduras	,,
20	Basutoland	1890–91
21	Trinidad and Tobago	1890
22	Leeward Islands	,,
23	Grenada	,,
24	Straits Settlements	,,
25	British Guiana	,,
26	St. Helena	,,
27	Mauritius	,,
28	Gambia	,,
29	Hong Kong	,,
30	Ceylon	1889
31	Lagos	,,
32	Lagos	1890
33	Ceylon	,,
34	Newfoundland	,,
35	Jamaica	1889–91
36	Victoria	1890
37	British New Guinea	1890–91
38	St. Vincent	1891
39	Bermuda	,,
40	Seychelles and Rodrigues	1889 and 1890
41	Gambia	1891
42	Barbados	,,
43	Turks Islands	,,
44	Bahamas	,,
45	Fiji	1890
46	Seychelles	1891
47	British Bechuanaland	1890–92
48	Malta	1890 and 1891
49	Gibraltar	1891

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.

No. 50.

FALKLAND ISLANDS.

(For Report for 1890, *see* Colonial Report [Annual] No. 17.)

Sir R. T. GOLDSWORTHY to LORD KNUTSFORD.

Government House, Stanley,
June 21, 1892.

MY LORD,

I HAVE the honour to forward two copies of the Blue Book of this Colony for 1891, together with the report of the Colonial Secretary thereon.

I have, &c.
(Signed) ROGER TUCKFIELD GOLDSWORTHY.

The Right Hon. Lord Knutsford, G.C.M.G.,
&c. &c. &c.

REPORT on the FALKLAND ISLANDS BLUE BOOK, 1891.

Taxes, Duties, and other Sources of Revenue.

By Ordinance No. 8 of 1891, a license may be obtained to brew beer on the premises, and to sell the same in quantities of not less than two gallons, at the rate of 2*l.* per annum. By the same ordinance there is a duty of 6*s.* imposed on every 36 gallons of beer of a specific gravity of 10·30°, and a duty of 3*d.* for every 2° in excess thereof.

Since the reconstruction of the Offices of Colonial Secretary and Treasurer, certain fees received hitherto by the officials discharging these offices, and the minor offices attaching, are now paid into the Treasury.

Revenue and Expenditure.

The Revenue for 1891 amounted to 11,551*l.* 3*s.* 6*d.* and the Expenditure to 13,302*l.* 4*s.* 7*d.*

The excess of receipts over estimate was 1,901*l.* 0*s.* 6*d.*

The excess of expenditure over estimate was 4,148*l.* 14*s.* 11*d.*

The excess of actual expenditure over receipts was 1,708*l.* 4*s.* 1*d.*

There is no public debt.

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FALKLAND ISLANDS.

Public Works.

During 1891 much attention has been given to the repair of roads and drains. A sea wall, running from the Dockyard to the Falkland Islands Company's West Store, was commenced to be built and, mostly through the labour of prisoners, was considerably advanced during the latter part of the year. When completed, this will not only have added greatly to the appearance of the settlement, but will in a great measure prevent the high tides from gradually washing away the embankment adjacent.

The transference of the Government Offices from the extreme west end of the settlement, to what used formerly to be the court-house buildings and Colonial Secretary's quarters, brought about what is acknowledged by all to be an immense improvement. In one building are now to be found the Courthouse, the Judges' Chambers, the Colonial Secretary's Office, the Colonial Treasurer and Postmaster's Offices, and the residential quarters of the Treasury Clerk.

It is contemplated to convert the old offices which lie about one mile from the centre of the town of Stanley into residential quarters for the Colonial Secretary and Colonial Treasurer.

The ground at the back of the row of cottages known as "the Constables Row" has been levelled, and a cartway passing from Barrack Street round the back of the cottages on to the main road made.

The total expenditure on jetties, public buildings, and local works, amounted to 3,078*l.* 8*s.* 11*d.*

Legislation.

During the year ten Ordinances were passed.

No. 1.—An Ordinance to make further provision for the administration of justice.

This Ordinance was passed because on the retirement of Governor Kerr, C.M.G., his successor, Sir R. T. Goldsworthy, K.C.M.G., did not assume the office of Chief Justice in conjunction with that of Governor, and therefore a new office of Judge and Magistrate was created by this Ordinance, which office has since been combined with that of Colonial Secretary.

No. 2.—The Naturalization Ordinance.

This Ordinance was passed with the object of avoiding a separate Ordinance having to be passed for each alien desirous of becoming naturalised.

No. 3.—An Ordinance to amend the Public Health Ordinance, 1886.

No. 4.—An Ordinance to provide for the holding of Commissions of Inquiry. This Ordinance was passed on the 20th of July, 1891.

No. 5.—An Ordinance to consolidate and amend the laws relating to Customs duties and trade.

This Ordinance was passed on the 14th October, 1891.

No. 6.—An Ordinance to declare the validity of all Ordinances passed, and votes granted by the Legislative Council, during the period between the 6th day of July, 1891, when A. E. Baillon, Esquire, took his seat as a member of the Council, and the date when Her Majesty's Warrant for his appointment as a member of such Council was issued. This Ordinance was passed on the 8th day of October, 1891.

No. 7.—An Ordinance to extend to this Colony a certain Act of Parliament cited as "The Bills of Exchange Act, 1882." This Ordinance was passed 10th October, 1891.

No. 8.—An Ordinance to provide for the license of brewers and to impose a duty on beer manufactured in the Colony. This Ordinance was passed on the 14th October, 1891.

No. 9.—The Naturalization Amendment Ordinance of 1891. This Ordinance was passed on the 14th December, 1891, and was a re-enactment of Ordinance No. 2 of same year with certain amendments.

No. 10.—An Ordinance to provide for the service of the Colony of the Falkland Islands for the year 1892. This Ordinance was passed on the 22nd December and came into operation same day.

Executive Council.

His Honour Judge Routledge became a member of the Council on his appointment to the office of Judge, Magistrate, and Colonial Secretary.

Legislative Council.

Mr. F. E. Cobb, who was a member of the Council, having resigned, in his place Mr. A. E. Baillon was on the 6th July, 1391, appointed a member of the Legislative Council.

On the 22nd December, 1891, the Hon. F. S. Sanguinetti ceased to act as Colonial Secretary and Treasurer and the Hon. R. M. Routledge, Judge, Magistrate, and Colonial Secretary assumed his seat as a member of the Council.

Civil Establishment.

On the 28th March, 1891, Governor Kerr, C.M.G., returned to England and the Hon. F. S. Sanguinetti, Acting Colonial Secretary, administered the Government of the Colony until the 13th day of April, when Sir R. T. Goldsworthy, K.C.M.G., arrived and was sworn in as Governor.

FALKLAND ISLANDS.

On the 19th May Mr. W. A. Harding arrived to relieve Mr. H. B. Jameson, Government Clerk, who went to England on leave of absence.

On the 27th of June R. M. Routledge, Esq., Barrister-at-Law, arrived to take up the appointment of Judge and Magistrate for the term of six months, at the end of which time he was appointed Judge, Magistrate, and Colonial Secretary.

On the departure of Mr. Sanguinetti, Mr. W. A. Harding was appointed Acting Colonial Treasurer, Mr. William Coulson, Treasury Clerk, and Mr. W. R. M. Spearman, Acting Government Clerk.

H. P. Millet was appointed printer and gaoler in place of Henry Adams who held the latter appointment. William Grierson resigned his appointment as horsekeeper, which has not been filled up.

T. Curry, Government gardener, was dismissed and John Botwood appointed in his place.

Miss Sarah Preston, nurse and midwife, resigned on the 15th day of November, 1891, and the appointment has been discontinued.

Pensions.

There was no change under this head.

Population.

The total population as taken by the census on 5th April, 1891, was 1,086 males and 703 females—total, 1,789.

The number of births were 27 males and 16 females—total 43. And the deaths 16 males and 8 females—total 24.

The Colonial Surgeon, who resides in Stanley, East Falklands, reports as follows:—

"It is my pleasing duty to state that the health of the settlement is eminently satisfactory.

"There has been no epidemic or endemic disease whatever since the hybrid [?], which was a compound of the influenza and partaking of the most virulent form of pertussis (whooping cough), with the accompanying sequelæ peculiar to that spasmodic disease when adults are attacked, visited us September and October 1890.

"Even the infantile diseases so prevalent in the spring and autumn have been distinguished by their absence.

"For over two years I have not had a single case of enteric or typhoid fever which for some years caused considerable havoc. The reason for this is obvious. The people have been educated to a higher standard, and in place of rebelling against the laws of health they now try, in many instances, to obey her just demands, being painfully conscious that retributive justice speedily follows."

The following is the report of the Assistant Colonial Surgeon, who resides at Fox Bay, West Falklands:—

"I have to report the occurrence of a few cases of chicken-pox which spread from an imported case.

"No improvement has occurred in the general health of the children and the majority of them would be all the better for some attempt at physical and mental culture. The bad cases of rickets occur when the children are brought up on condensed milk which is largely used in the camp.

"The Vaccination Act has been carried out to the best of my ability; arm to arm vaccination is scarcely possible, being much objected to by the people, which is hardly surprising."

Education Report, 1891.

The Colonial Chaplain, who is Inspector of Schools, reports as follows:—

"The ordinary work, as laid down by the Colonial Government, was carried out during the year in the Government Schools.

"Two private schools and one night school (during the winter) were also open.

"The number of children actually attending school at the end of the year was as follows:—

Government Senior School.	Boys	- -	30
" "	Girls	- -	23
" Infant Schools.	Boys	- -	33
" "	Girls	- -	30
Rev. J. R. O' Grady's School.	Boys	- -	15
" "	Girls	- -	12
Miss Prior's School.	Boys	- -	13
"	Girls	- -	6
		Total,	162
"Night School (during winter)	Boys	- -	15
" "	Girls	- -	5
		Total,	20

"The school accommodation is fully equal to the present needs of Stanley.

"In the camp, the Falkland Islands Company still keep a small school at Darwin, attended by the children of about seven families, otherwise nothing is being done for education in the camp, though the number scattered throughout the Islands almost equals the number of children in Stanley.

"A proposal has been made either to have 'Travelling School Master,' or one or two Boarding Schools' for camp children; as yet nothing has been formulated."

FALKLAND ISLANDS.

Imports and Exports.

The value of the imports during 1891 was 67,827*l.*, shewing an increase over the previous year of 645*l.*

The value of the exports was 130,752*l.*, being an increase over the previous year of 24,687*l.*

Shipping.

26 sailing vessels arrived in the Colony during the year. The tonnage of the whole was 16,766, and the crews numbered 384.

Of these there arrived at :—

Port Stanley - - - - -	23
Fox Bay - - - - - -	1
Roy Cove - - - - - -	2
Total -	26

17 steam vessels entered at ports in the Falkland Islands during the year, with a tonnage of 27,647, and crews numbering 707.

"Of these there arrived at :—

Port Stanley - - - - - -	15
San Carlos - - - - - - -	2
Total,	17

The following ships belonging to Her Majesty's Navy, and attached to the south-east coast of America squadron, visited the Islands during the year :—

The Magpie, Cleopatra, Beagle, and Basilisk.

The "Maipo," a ship of war belonging to the Chilian Government, put into Stanley and took on board stores of coal, water, and clothing.

Criminal Statistics.

During the year only two criminal cases were brought into the Supreme Court.

38 persons were brought before the Magistrate's Court. 15 of these were refractory seamen for offences against the Merchant Shipping Acts, and the whole, being convicted, were sentenced to terms of imprisonment ranging from a few days to six months.

The other cases consisted mostly of charges for drunkenness, assault, and three of concealing wrecked goods. In the most of these cases fines were inflicted.

Savings Bank.

The following is the report by Mr. W. A. Harding, Acting Colonial Treasurer, on the balance sheet of the Savings Bank for 1890–1.

"The number of depositors, and the amount on deposit have been as follows, in the financial years since the opening of the Bank on 1st April 1888.

Year.	Number of Depositors.	Amounts.
		£ s. d.
1888 - - - -	32	4,201 1 5
1889 - - - -	100	15,139 4 3
1890 - - - -	157	17,810 12 2
1891 - - - -	175	21,627 12 10

"It will be observed from this return that the amount on deposit has increased by over 3,800*l.* during the year, although the number of depositors has increased by 18 only, a healthy sign showing that the original depositors continue to add to their deposits. The average amount standing to the credit of each depositor is 121*l.* 5*s.* 0*d.* exclusive of an investment on account of intestate estates, and taking the population at 1,800 the deposits show an average of 11*l.* 15*s.* 0*d.* per head of the population."

Friendly Society.

The Stanley Benefit Club, which was established in 1859, has now a membership of 129. The balance sheet of 1891 showed the amount of receipts to have been 147*l.* 16*s.* 0*d.* and the expenditure 136*l.* 2*s.* 6*d.* The total capital amounts to 953*l.* 14*s.* 6*d.*

General Remarks.

The year 1891 was, according to the report of several of the earliest settlers, one of the most genial in regard to weather ever experienced in the Falklands. There was little snow and no severe frosts during the winter, and a fine summer was ushered in by a mild spring. Seasons like it cannot be too highly appreciated in a Colony such as this, where so much depends on the rearing of sheep.

Falkland Islands wool continues to realise a fair price in the markets, and the export during the year was 3,885,210 lbs.

The number of carcasses of frozen mutton sent from this Colony to the home market was 18,277.

No. 87.

FALKLAND ISLANDS.

(For Report for 1891, *see* Colonial Report [Annual] No. 50.)

Acting Governor MELVILLE to the MARQUESS OF RIPON.

Government House, Stanley,
June 19, 1893.

MY LORD,

I HAVE the honour to transmit to your Lordship two copies of the Blue Book of this Colony for the year 1892, together with the annual report thereon prepared by the Colonial Secretary.

I have, &c.
(Signed) GEO. MELVILLE,
Administrator.

The Right Hon. the Marquess of Ripon, K.G., &c. &c. &c.

REPORT on the FALKLAND ISLANDS BLUE BOOK, 1892.

Taxes, Duties, and other Sources of Revenue.

There has been no alteration regarding the revenue arising from the taxes, duties, &c. during the past year.

Revenue and Expenditure.

The Revenue for 1892 amounted to 11,485*l.* 13*s.* 9*d.*, and the Expenditure to 10,947*l.* 18*s.* 3*d.*

The receipts were less than the estimates by 474*l.* 6*s.* 3*d.*

The excess of expenditure over estimate was 983*l.* 9*s.* 7*d.*

The surplus of actual receipts over actual expenditure was 537*l.* 15*s.* 6*d.*

There is no public debt.

Public Works.

During 1892 the building of the sea wall commenced in 1891 has been continued and will shortly be completed. When the space between the sea wall and the grassy slope which lies between the Dockyard and the Falkland Islands Company's West Store

FALKLAND ISLANDS. 1892.

has been filled in, Stanley will possess what may be called its village green.

The total expenditure on jetties, sea wall, Government buildings, and local works amounted to 1,429*l.* 15*s.* 8*d.*

Legislation.

During the year twelve Ordinances were passed.

No. 1.—An Ordinance to make further provision for the service of the Colony for 1890.

No. 2.—An Ordinance to provide for the holding of Commissions of enquiry.

No. 3.—An Ordinance to amend the Brewers Licensing Ordinance, 1891.

No. 4.—An Ordinance to make further provision for the service of the Colony for the year 1891.

No. 5.—An Ordinance to provide for the prevention of the spreading of any contagious or infectious disorders amongst dogs or other animals within the Colony.

This Ordinance was passed in order to prevent the removal of animals suffering from infectious or contagious disorders within the Colony, as the Ordinance in force in the Colony merely related to the importation of animals into the Colony.

No. 6.—An Ordinance to amend the Administration of Justice Ordinance, 1876.

By this Ordinance fees derived for the discharge of Notarial Acts by the holder of the office of Judge to which that of Notary Public is attached are made payable into the Colonial Treasury instead of as hitherto to the holder of the office.

No. 7.—An Ordinance to raise a sum of money by a tax on tenements in Stanley, and to provide for the application thereof and of other local taxes for the proposed local improvements.

Ordinance No. 14 of 1882 which was an Ordinance whereby a tenement tax was imposed for the term of ten years, being by effluxion of time about to expire on 31st December, it was considered necessary in order to provide means of meeting certain expenditure on local improvements that this tax should be continued for a further term of five years, and along with certain other local taxes devoted towards the paying off the expenditure to be incurred.

No. 8.—An Ordinance to provide for the service of the Falkland Islands for the year 1893.

No. 9.—An Ordinance to amend the Stanley Cemetery Ordinance, 1888.

By this Ordinance the trusteeship of the whole
in Stanley set apart for a burial ground has been
hands of the Governor of the Colony for the tim
Burial Board has also been reconstructed by the a
number of the priest in charge of the Roman Ca
and the minister for the time being of the Baptist C

No. 10.—An Ordinance to amend Ordinance No.
The necessity for the passing of this Ordinanc
certain omissions in the Schedule of Tariffs att
Customs Consolidation Ordinance.

No. 11.—An Ordinance to provide for the app
Visiting Justices for the gaol in Stanley.

No. 12.—An Ordinance to make further provi
postal service of the Falkland Islands.

Orders in Council.

Orders in Council, dated 10th March and 1
respectively were issued.
The necessity for these arose from two serious
distemper amongst the dogs in the Islands.

Executive Council.

The Honourable Charles Arthur Fraser, Colonia
became a Member of Council on the 17th March in p
Honourable and Reverend Lowther E. Brandon,
Chaplain, resigned.

Legislative Council.

The Honourable Charles Arthur Fraser became a
Council on the 17th March.

Civil Establishment.

On the 17th March, Mr. Fraser arrived to take up t
Colonial Treasurer, Collector of Customs, Postmast
duties of which offices had been discharged by
Harding, Acting Government Clerk, as Acting Tre
since Mr. Sanguinetti's departure in December 1891.
Mr. W. Spearman acted as Government Clerk until
of Mr. Harding to that office on the arrival of Mr. Fra
On the 25th of August, Mr. C. W. Hill arrived, an
office as Government Clerk in room of Mr. Harding, w
to the Colonial Office, London. The Reverend E.
Aspinall was appointed Assistant Colonial Chap
Reverend L. E. Brandon, Colonial Chaplain, receive

of the Secretary of State for the Colonies to his assuming the title of Dean of Christ Church, Stanley, Falkland Islands.

Captain John Campbell resigned his appointment as Pilot and Master of the Government Schooner "Hadassah" and was succeeded by Mr. Wilmer, Assistant Pilot. W. Quianlan was appointed Police Sergeant and Instructor of Volunteers.

Pensions.

James Hocking, formerly gaoler, died on the 23rd November at the age of 73 years. He was placed on the pension list on 1st January 1879.

Population.

The population consists of 1,086 males and 783 females; total 1869.

During the year the number of births was 21 males and 22 females, total 43, and the deaths 10 males and 8 females, total 18.

The Colonial Surgeon, who resides in Stanley, East Falklands, reports as follows:—

"I am happy to place on record the fact that there has been an absence of epidemic and endemic diseases, the latter of which was frequent in the settlement in consequence of defective sanitary arrangements and utter ignorance of hygienic rules. A great improvement has taken place in the habits of the people. Much might be done in having a proper system of drainage, with intercepting sewers and main drains; the surface is most favourable for it, as there is a sufficient fall from the Murray Heights to the Harbour.

"The usual infantile diseases are below the average, and there has been no return of the hybrid (a compound of hooping cough and influenza) with its sequelæ of pneumonia and bronchitis which caused much havoc two years ago. Notwithstanding the climate being so changeable, the scarcity of pulmonary complaints is remarkable, especially as tubercle in many cases is dormant and merely requires the exciting cause to bring forth its deadly effects. Specific diseases are not frequent."

The following is the report of the Assistant Colonial Surgeon, who resides at Fox Bay, West Falklands:—

"I have the honour to report that there were no serious cases of illness during 1892. There were no cases of zymotic disease, but numerous cases of an extremely infectious catarrh. The exact nature is extremely difficult to determine, but it is a specific fever running through all stages of a fever in about a week.

"I wish to call the attention of the Government to the food supply of these Islands, and to point out that the only food for which there is any guarantee of freedom from adulteration is the mutton, and that, even, contains too much water.

"After examining a child brought up on a sticky substance called 'condensed milk' we are very apt to doubt the bold words on the tins of that substance. Our doubts are confirmed by chemical examination, and by the knowledge of a machine called the Centrifugal Cream Separator, made in England but used abroad."

Education Report.

The Colonial Chaplain, as Inspector of Schools, reports as follows:—

"The Government schools were conducted as usual during the year 1892, there being no break from sickness or otherwise.

"The schools were examined twice during the year, and the progress of the children found to be satisfactory."

"The number of children and average attendances were as follows:—

Number of names on the rolls during the year:

Senior school	74
Infant school	69

Number of names on the rolls in January and December respectively:

Senior school	87 74
Infant school	45 69

Average attendance during the year:

Senior school	50·1
Infant school	45

The two private schools, (*a*) the Roman Catholic School and (*b*) Miss Prior's School, were open during the year.

Attendance at Roman Catholic School:

Boys	29
Girls	22
Total	51

Attendance at Miss Prior's School:

Boys	13
Girls	10
Total	23

Imports and Exports.

The value of the imports during 1892 was 70,138*l.*, showing an increase over the previous year of 2,311*l.*

The value of the exports was 126,312*l.*, being a decrease from the previous year of 4,440*l.*

Shipping.

Twenty-nine sailing vessels arrived in the Colony during the year. The tonnage of the whole was 16,197, and the crews numbered 393.

Of these there arrived at—

Port Stanley	20
San Carlos	2
Hill Cove	3
Port Howard	2
Shallow Bay	1
Spring Point	1
Total	29

Eighteen steam vessels entered Port Stanley in the Falkland Islands during the year, with a tonnage of 27,323, and crews numbering 764.

The following ships belonging to Her Majesty's Navy, and attached to the south-east coast of America squadron, visited the Islands during 1892:—

The "Cleopatra," "Beagle," and "Basilisk."

The Russian Corvette "Djighit" visited Port Stanley during the month of February.

Criminal Statistics.

During the year there were but three criminal cases brought into the Supreme Court.

Thirty-eight persons were brought before the Police Court. The charges consisted mostly of offences against the Merchant Shipping Acts, drunkenness, &c., and in most cases the punishment awarded was the infliction of a fine.

Savings Bank.

The following is the report of the Colonial Treasurer on the balance sheet of the Savings Bank for 1891–2:—

"The number of depositors, and amount of deposits have been as follows in the financial years since the opening of the Bank on April 1st, 1888.

Year.	Number of Depositors.	Amounts.
		£ s. d.
1888	32	4,201 1 5
1889	100	15,139 4 3
1890	157	17,810 12 2
1891	175	21,627 13 10
1892	196	24,940 9 5

The amount deposited has increased by 3,312*l.* 16*s.* 7*d.*, and the number of depositors by 21. Forty-two depositors have closed their accounts during the year, and sixty-three new accounts have been opened. The average amount standing to the credit of each account is 127*l.* 4*s.* 11*d.*, and, computing the population of the Colony at 1,800, the average savings per head of population is 13*l.* 17*s.* The amount of deposits received during the year was 1,812*l.* 5*s.* 3*d.*, and deposits repaid amounted to 5,355*l.* 9*s.* 2*d.*

Friendly Society.

The Stanley Benefit Club, established in 1859, for the purpose of affording relief to members during sickness and also of defraying funeral expenses, has a membership of 129, the same as in 1891.

The amount of invested funds is 900*l.*

Income for the year ending 30th April 1892, as shown by the balance sheet, was 147*l.* 16*s.*, and the expenditure for same period 136*l.* 2*s.* 6*d.* The total amount of funds amounts to 953*l.* 14*s.*

General Remarks.

The year 1892 will be a historical one for the Falkland Islands; on the 25th day of February what had formerly been known as a settlement received at the hands of Her Majesty, by Letters Patent dated 25th February 1892, the dignity of becoming a Colony. The Proclamation took place in the Court house, and in accordance with the instructions received, his Excellency the Governor and other officials were sworn in to their respective offices under the new title.

A volunteer force has also been embodied throughout the Colony.

A new church, named Christ Church, which has been built on the site of the former one at a cost of over 8,000*l.*, was opened for divine service and consecrated by the Bishop of the Falkland Islands on the 21st of February.

Four whaling vessels visited Stanley in the spring of the year on their way to the Antarctic regions, having sailed from Dundee, N.B., in the month of September for the purpose of prosecuting the whale fishing in southern latitudes.

Several vessels came into Stanley during the year in the condition locally known as "lame ducks." These are welcome visitors to the Colony, affording, as they do, plenty of work to the carpenters, smiths, &c.

The Falkland Islands wool continues to realise a fair price, and the amount exported during the year, though under that of the previous year, was 3,065,751 lbs.

FALKLAND ISLANDS. 1892.

The number of carcases of frozen mutton sent from this Colony was 17,882 as compared with 18,277 in 1891.

One serious drawback to these Islands is the want of more frequent mail communication with the home country. It is very much to be desired that before long some means may be found of remedying this much-felt grievance.

(Signed) R. M. ROUTLEDGE,
Colonial Secretary.

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COLONIAL REPORTS.—ANNUAL.

No. 118.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1893.

(For Report for 1892, *see* Colonial Report [Annual] No. 87.)

Presented to both Houses of Parliament by Command of Her Majesty.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
86	St. Lucia	1892
87	Falkland Islands	"
88	Gold Coast	"
89	Basutoland	1892–93
90	Ceylon	1892
91	Zululand	"
92	Mauritius	"
93	Labuan	"
94	British Honduras	"
95	Lagos	"
96	Sierra Leone	"
97	Fiji	"
98	Rodrigues	"
99	St. Helena	"
100	British Bechuanaland	1892–93
101	British Guiana	"
102	Newfoundland	1892
103	Jamaica	1892–93
104	Victoria	1892
105	Bermuda	1893
106	Gambia	"
107	Hong Kong	"
108	St. Vincent	"
109	Gibraltar	"
110	Bahamas	"
111	Turks and Caicos Islands	"
112	Leeward Islands	"
113	Barbados	"
114	Malta	"
115	Zululand	"
116	British Honduras	"
117	Trinidad and Tobago	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.

No. 118.

FALKLAND ISLANDS.

(For Report for 1892, *see* Colonial Report [Annual] No. 87.)

Acting Governor THOMPSON to the MARQUESS OF RIPON.

Government House, Stanley,
August 9, 1894.

MY LORD MARQUESS,

I HAVE the honour to forward two copies of the Blue Book of this Colony for the year 1893, together with a report by the Acting Colonial Secretary thereon.

I have, &c.
(Signed) T. A. THOMPSON,
Administrator.

REPORT on the BLUE BOOK, 1893.

Revenue and Expenditure.

The Revenue of the year (exclusive of Land Sales) amounted to 11,450*l.*, the Expenditure to 11,388*l.*

Compared with the previous year, 1892, the Revenue showed a decrease of 35*l.*, and the Expenditure an increase of 441*l.*

The "Land Sales Account" on the 31st December 1893 showed that 11,929*l.* were invested, while the "Surplus Fund Account" on the same date amounted to 1,982*l.*

Neither of these funds is included in the above-mentioned amount returned as Revenue. Towards the total Revenue received, the following figures show the contributions from the various sources:—

	£
From Customs, Port, Harbour and Tonnage Dues	3,825
From Licences, and Internal Revenue	427
From Fees of Court and offices	546
From Post Office	605
From Rents of Crown Lands	4,008
From Interest on Investments	1,365
From Miscellaneous	678

Out of a total expenditure of 11,388*l.*, the following figures represent the approximate expenditure on the several principal services:—

	£
On Pensions - - - - -	356
On Police - - - - -	629
On Prisons - - - - -	88
On Education - - - - -	427
On Ecclesiastical - - - -	467
On Post Office - - - -	2,278
On Public Works - - - -	2,075
On Interest on deposits in Savings Bank -	635
Civil Establishment and other miscellaneous expenditure exclusive of the above - -	4,440

The Return (Appendix A.) gives a statement of the comparative Revenue and Expenditure, and other information for the past ten years.

Customs, Trade, and Shipping.

The Revenue of the Customs Department for the twelve months ended 31st December 1893 amounted to 3,649*l.*, as compared with 2,945*l.*, the receipts of the preceding twelve months, or an increase of 19·5 per cent. This Revenue is almost wholly derived from duties on spirits, malt liquor, wines and tobacco.

Imports and Exports.

The total values of Imports and Exports (exclusive of specie) for the twelve months were as follows:—

	£
Imports - - - - -	71,126
Exports - - - - -	134,872
Total - - -	£205,998

The recorded Imports and Exports of specie for the same period were:—

Imports 1,425*l.*, Exports 30*l.* There is every reason, however, to believe that the Exports were very much larger.

The following statement will show the direction of the Import and Export Trade (exclusive of specie) of these Islands in 1893:—

Countries.	Imports.		Exports.	
	Value in Sterling.	Percentage of total Import.	Value in Sterling.	Percentage of total Export.
	£		£	
United Kingdom -	64,571	90·78	130,319	96·32
Germany - -	700	·98	—	—
Chili - - -	3,748	5·27	3,103	2·30
Uruguay - -	1,939	2·73	—	—
Argentina (Patagonia) -	168	·24	1,450	1·08
Total -	71,126	100	134,872	100

The return of exports is the most favourable on record. The total value (exclusive of specie) shows an increase as compared with 1892 of 6·35 per cent.

This increase is a strong testimony to the favourable character of the past year, the wool clip, the principal export, yielding 3,885,194 lbs. as against 3,065,761 lbs. in 1892. The whole of the above amount was exported to Great Britain.

The exports of the secondary products of the farms, such as tallow, sheep skins, hides, and frozen mutton, show, however, a slight decline.

The total value of goods imported shows an increase of 988*l.* over that of 1892. A marked feature in the import trade has been the increase by 704*l.* in the value of dutiable goods over that imported during the preceding twelve months.

Shipping.

Compared with 1892, the number of vessels engaged in the trade of these islands show a decrease of 18 vessels and 29,574 tons.

The following return shows the number of steam and sailing vessels entered and cleared during the year:—

	Steam.		Sailing.		Total.	
	No.	Tons.	No.	Tons.	No.	Tons.
Entered - -	18	21,065	24	10,398	42	31,463
Cleared - -	18	21,065	19	7,226	37	28,291

Public Works.

The roads and drains have been kept in order. Works of utility are, however, necessarily limited, in the absence of any municipal rate, whatever little is done being met from the one item on the estimates for works and buildings. Yet, whenever labour was at command, opportunities have not been lost during the year to make improvements unattended with expense.

Legislation.

Of the ten Laws passed, the following may be noticed:—

"An Ordinance for the establishment of a volunteer force;" and,

"An Ordinance to provide for the better protection of property in Stanley against injury from the trespassing of animals within the town."

The title of the first above-mentioned law sufficiently indicates the intention of the Law. The organisation of the Corps has been accomplished. Its general condition will be referred to later on in this Report.

The object of the second law is to prevent the straying of animals in the town of Stanley. It provides for the impounding of any animals so wandering and sets apart a place where all persons so desiring may, by obtaining a licence at a nominal sum, depasture their horses, &c.

Education.

On the 31st December, 1893, there were five schools in operation in Stanley. The schools were fairly well attended and the instruction good.

Two of the above schools, the Reverend E. C. Murphy's Baptist school and Miss Prior's school, were conducted without Government aid.

The number of children enrolled at the end of the year at the Government schools was 117.

The opening of the private schools is doubtless mostly the cause of the falling off in the attendance at the Government schools. Besides this, very young lads can readily find other work in Stanley as outdoor labourers at the current rates of wages. Immediately the compulsory system admits, they leave school with a knowledge of nothing more than the rudiments of education. Unfortunately, the class of employments in the Colony for which educational attainments are required is extremely limited. It is, therefore, unlikely that the standard of education will be much raised until some change takes place in the circumstances of the Colony. It is gratifying to learn that some provision, by means of "travelling schoolmasters," is being made by the Falkland Islands Company for the education of the children of the settlers and shepherds in their "Camp." It has

always been difficult to meet this scholastic want, owing to the settlements being so scattered, many miles apart.

Ecclesiastical.

The clergy of the several denominations regularly visited the "Camp" and outlying islands throughout the year.

Medical.

The public health during the year has been remarkable for the entire absence of any disease, and the inhabitants of the Colony generally have been free from even the commonest ailments.

There were only 18 deaths within the year from natural causes in a population amounting approximately to 1,800.

Post Office.

The greater part of the Revenue (605*l.*) under this head was collected from stamps, &c. sold (502*l.*) to collectors and others.

The estimated amount of correspondence passing through the one Post Office during the year was 230,000. During the year, the total number of parcels dealt with was 814.

The practice of registration continues extensively, the number of registered letters, &c., received and despatched, being 1,403.

Money Orders to the value of 5,317*l.* were issued. The value of orders paid amounted to 347*l.*

The local mails continue to be conveyed to, and brought from, the West Falklands and the North of the East Falklands once a month by one of the local trading schooners, and the steam communication with the world was carried on regularly every month by the "Kosmos" line of steamers.

Savings Bank.

The following is a statement of the transactions of the Bank since its establishment on 1st April 1888 to 30th September 1893, the end of the Savings Bank year:—

Year.	Accounts opened.	Accounts closed.	Number of deposits.	Number of withdrawals.	Amount of deposits with accrued interest.	Amount of withdrawals.
					£ s. d.	£ s. d.
1 April 1888, to 30 Sept. 1888	32	—	60	—	4,201 1 5	—
1888-89	67	7	150	37	13,809 8 8	2,871 5 10
1889-90	56	21	188	93	8,972 7 4	6,300 19 5
1890-91	70	30	256	182	8,577 2 2	4,760 1 6
1891-92	62	37	291	103	8,668 5 9	5,355 9 2
1892-93	60	32	250	112	11,923 1 4	6,790 3 5
	347	127	1,195	527	56,151 6 8	26,077 19 4

The result of the establishment of the Bank, therefore, showed 220 depositors, with a balance of 30,073*l.*, or an average of over 136*l.* standing to the credit of each account. Computing the population of the Colony at 1,800, the average savings per head is 16*l.* 14*s.*

Volunteer Force.

This force, raised by Governor Sir R. T. Goldsworthy in 1892, was organised and established by law during the year.

The strength of the corps was 101 officers, non-commissioned officers, and men, and, with the assistance of a competent instructor, it has attained a high state of efficiency.

The Imperial Government have furthered the movement by the free gift of ammunition, two nine-pounder R.M.L. guns, equipments and accoutrements.

The corps is also supported by capitation grants by this Government in respect of efficients and by voluntary contributions, and has every prospect of success.

GENERAL REMARKS.

General Condition of the Colonists.

Although some depression of trade existed in Stanley, owing to the decrease in the number of vessels calling here for repairs and the absence of Her Majesty's ships of war in the Brazils during the late revolution, the prosperity now diffused throughout the Islands continued.

Population.

There is amongst the colonists a general amenability to law and order creditable to all classes of the community. Twenty-five persons only were summarily convicted in the Police Magistrate's Court, of whom five were merchant seamen charged with refusing to work on board their vessels while in harbour.

The two cases sent to the Supreme Court were for breaches of Revenue Laws, while the other cases were principally cases of drunkenness.

The Colony as a Field for Immigrants.

The resources of the Colony do not offer a fair opening even for a limited number of labourers. Artisans, especially ship-carpenters, find varied but not continual employment. With the exception of meat (mutton 2*d.* per lb., beef 3*d.* per lb.) the expenses of the necessary articles of life may be taken as 50 per cent. higher than those obtaining in the United Kingdom. Provisions and wearing apparel being thus costly, compel the labourer to work continuously and at the same time keep him clear of idleness.

Single men do not, however, settle here. They are attracted with their few pounds of savings to Patagonia, where a shepherd's life and surroundings are more enjoyable. As in all pastoral countries, the population of these islands must necessarily be sparse until some trade is developed. Undoubtedly, the Falkland Islander earns higher wages than in most countries. He does not, however, confine himself to one branch of labour. He suits his occupation to the exigencies of the moment.

Sheep farming.

The prosperity of the islands is wholly dependent on the use of the vast tracts of pasture land for sheep. With the aid which nature affords, with no fear of drought, with no rank vegetation, but, on the contrary, succulent grasses, with an equable temperature throughout the year, these Islands have proved to be peculiarly well adapted for sheep.

The pastoral prospects continue to be of a cheering character. The increase of flocks, the introduction of late years of machinery for boiling down sheep, of machinery for shearing, the use of dip, the more careful shepherding and judicious breeding have secured a superior quality of produce and larger profits to the producer.

Sheep continue to be exported to Chili and Patagonia, for the purpose of stocking the north of the straits of Magellan, where concessions of land have been obtained from the Chilian and Argentine Governments by some of the lessees of the Crown Lands of this Colony.

The prices realized by the exports of wool have not yet been received in the Colony, but the amounts set down in the Blue Book may be regarded as a tolerably accurate estimate.

All the land is taken up.

The flocks now number over 770,000. The total acreage leased is 3,414,166 while the freeholds amount to 758,103 acres.

The twenty-one years' leases under the Ordinance of 1871 having elapsed in the majority of cases, on the representation of certain residents in the islands, who have expressed themselves desirous of obtaining land, certain blocks varying from 7,000 to 12,000 acres will shortly be in the market for sale.

INDUSTRIES.

Sealing—Penguins.

Turning from pastoral to other occupations, those worthy of notice are the sealing and penguin industries.

The sealing industry has been for years past in a languishing condition, owing to the indiscriminate slaughter of the seals, the pups being left to starve; while the trade with France in penguin oil has never returned with the peace that followed the war of 1870. It is pleasing, however, to be able to report a slight

revival of both of these industries during the past year. With such protection as the Government is able to afford to the rookeries, it is hoped that these animals, by being left unmolested will in time recuperate, though there can be but little prospect of any increase of importance taking place in these industries for some years to come.

Shipping.

The great falling off in the number of vessels which arrived here during the year may be accounted for by various reasons:—

To the depression of trade that prevailed in the United Kingdom and the consequent fewer number of ships rounding Cape Horn;

To the effect of the legislation in the United Kingdom of past years having for its object the diminution of the dangers attaching to the mercantile marine service, worn out vessels no longer attempting to round the Horn. Those vessels that made for this port for refuge were well found;

To the want of telegraphic communication with the world, throwing much responsibility upon the master before he can receive instructions from his owners and thus forcing him to beat up at all hazards to Monte Video, where he also finds a dry dock and the more necessary facilities for repairs. It is feared that there is no immediate prospect of the latter being supplied here by local enterprise; indeed, it is this want—this want of enterprise, combined with enhanced prices for any repairs executed, that perhaps to a greater extent than all the reasons above enumerated have driven ships requiring repairs to resort to other ports rather than be detained at Port Stanley.

Four British and two Norwegian steam whalers entered in baliast and cleared after filling up with sealskins and oil in the Antarctic.

(Signed) CHARLES W. HILL,
Acting Colonial Secretary.

Stanley, Falkland Islands,
August 8, 1894.

APPENDIX A.

——	1884.	1885.	1886.	1887.	1888.	1889.	1890.	1891.	1892.	1893.
	£	£	£	£	£	£	£	£	£	£
Revenue - - -	9,687	10,438	9,295	8,963	8,951	8,628	9,492	11,551	11,485	11,450
Expenditure - - -	7,807	7,598	7,950	9,128	8,818	8,720	9,389	13,302	10,947	11,388
Customs Revenue - -	2,679	2,544	3,518	3,074	2,316	2,752	3,269	3,564	2,945	3,649
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
Total tonnage of vessels entered and cleared - - -	64,507	56,187	59,762	86,366	54,960	60,284	60,358	87,226	89,328	59,754
Total tonnage of vessels entered and cleared, British - -	23,077	14,137	24,162	36,322	9,802	11,888	15,185	31,741	22,810	14,718
Total tonnage of vessels entered and cleared, sailing - -	31,829	23,105	26,044	41,281	17,346	22,363	20,774	31,932	34,682	17,624
	£	£	£	£	£	£	£	£	£	£
Value of imports - -	67,848	48,314	73,602	66,785	54,008	55,716	67,182	67,827	70,138	71,126
Value of exports - -	101,338	97,846	108,946	107,995	88,743	116,102	116,005	130,752	126,312	134,872
Value of exports to United Kingdom - - -	98,468	95,768	97,964	104,128	87,227	112,342	114,592	128,859	121,305	130,319
Imports from United Kingdom -	60,962	39,887	66,696	58,407	48,865	49,789	61,842	63,128	62,555	64,571

537

COLONIAL REPORTS.—ANNUAL.

No. 147.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1894.

(For Report for 1893, *see* Colonial Report [Annual] No. 118.)

Presented to both Houses of Parliament by Command of Her Majesty.
September 1895.

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COLONIAL REPORTS.

The following, among other, Reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
113	Barbados	1893
114	Malta	1893
115	Zululand	1893
116	British Honduras	1893
117	Trinidad and Tobago	1893
118	Falkland Islands	1893
119	Rodrigues	1893
120	Mauritius	1893
121	Straits Settlements	1893
122	Labuan	1893
123	Basutoland	1893
124	St. Lucia	1893–4
125	St. Helena	1893
126	Ceylon	1893
127	Fiji	1893
128	Grenada	1893
129	Sierra Leone	1893
130	British Bechuanaland	1893
131	British New Guinea	1893–4
132	Lagos	1892–3 & 1893–4
133	British Guiana	1893
134	Jamaica	1893–4
135	Newfoundland	1893
136	Gold Coast	1893
137	Zululand	1894
138	Bermuda	1894
139	Bahamas	1894
140	Barbados	1894
141	Turks and Caicos Islands	1894
142	Malta	1894
143	Gambia	1894
144	Windward Islands	1894
145	Trinidad and Tobago	1894
146	Gibraltar	1894

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.

No. 147.

FALKLAND ISLANDS.

[For Report for 1893, *see* Colonial Report [Annual], No. 118.]

Sir R. T. GOLDSWORTHY to the MARQUESS OF RIPON.

Government House, Stanley,
June 21, 1895.

MY LORD,

I HAVE the honour to forward, for your Lordship's information, the "Blue Book" for the year 1894, with the report of Captain Halkett, Colonial Secretary, thereon.

I have, &c.

ROGER T. GOLDSWORTHY,
Governor.

REPORT ON THE BLUE BOOK, 1894.

Taxes, Duties, Fees, and other Sources of Revenue.

The main Revenue is derived from the following sources:—

Taxes, Customs duties, port dues, fees, licenses, and rents of Crown lands.

The principal Revenue is derived from Customs duties upon spirits and tobacco, and rents of Crown lands leased for sheep farming purposes, which amount to nearly two-thirds of the entire receipts.

A less, but still a very important, Revenue is obtained from the Post Office and from interest on capital invested, being proceeds of sale of Crown lands.

Revenue and Expenditure.

The Revenue for 1894, excluding land sales, exceeded that of the previous year by over 500*l.*, made up chiefly from increased receipts in the Post Office and of interest on capital invested on account of the land sales and Savings Bank funds.

The Revenue for 1894 was 11,958*l.*

The Revenue for 1893 was 11,450*l.*

The following items go to make up the Revenue for 1894:—

	£
Customs	3,136
Port, harbour, and tonnage dues	144
Licenses and internal revenue	408
Fees of court and officers	805
Post Office	1,205
Rents	4,229
Miscellaneous	265
Interest on investments	1,766

FALKLAND ISLANDS. 1894.

As compared with the previous year, there is an increase in the items of:—

1. Fees.—258*l.*, owing to payment of unforeseen probate;
2. Post Office.—599*l.*, from increased sale of stamps and transit rates;
3. Rents.—220*l.*, double rental accruing on expired leases;
4. Interest.—419*l.*, upon increased Bank deposits due to invested and increased annual instalments paid of purchase of freehold land.

On the other hand, the Revenue for 1894 shows a falling-off, compared with 1893, on the heads —

Customs.—513*l.*, representing duties on spirits and tobacco imported at the very close of 1893.

Port, Harbour, and Tonnage Dues.—32*l.*, resulting from a decrease in shipping entered for repairs.

Licenses and Internal Revenue.—19*l.*, owing to reduced licenses for sealing.

Miscellaneous.—407*l.* 5*s.* 10*d.*, representing part of a sum of over 500*l.* received in 1893 as insurance on the schooner "Hadassah."

Interest on Investments on account of Surplus.—17*l.*, caused by transfer of capital account to Savings Bank.

The general expenditure for 1894 exceeded that of 1893 by 1,007*l.*, owing to the adoption of a more effective system of public works and to a necessary survey of land.

Expenditure for 1894, 12,395*l.*

" " 1893, 11,388*l.*

Subjoined are the items expended:—

	£
Pensions	313
Governor	1,384
Secretariat	1,035
Customs	183
Audit	56
Port and marine	175
Legal	492
Police	493
Prisons	166
Medical	583
Education	465
Ecclesiastical	460
Transport	566
Miscellaneous	596
Post Office	2,249
Public works	2,397
Interest on Savings Bank deposits	758
Drawbacks and refunds	24

The land sales account, standing on the 31st December 1894 at 13,758*l.*, invested in Consols and inscribed securities, and the surplus fund to the amount of 1,982*l.* on the same date, are separate and apart from the foregoing account of Revenue.

Assets and Liabilities.

The statement of assets and liabilities shows the excess of assets over liabilities at 14,020*l.*

Deducting the amount of the land sales account here quoted at the actual amount expended in purchase of stock, that is, 12,979*l.*, instead of as represented by the face value of the securities held, that is, 13,758*l.*, the actual cash assets are 1,041*l.*

Were the three funds of land sales, surplus, and Savings Bank quoted as represented on their face value of stock, this balance would swell to 3,100*l.*

A large and important asset in the form of Government stores in hand, at the estimated value of 1,200*l.*, is not included in this account, which otherwise would show a credit, exclusive of land sales, of 4,300*l.*

Military Expenditure.

The only military body in the Colony is the Volunteer Rifle Corps, comprising six officers and about 100 rank and file.

The amount granted from general revenue towards the corps varies with the number of efficients in each year.

There were in 1893, 61 efficients, earning 2*l.* per head = 122*l.*
In 1894, 56 efficients, earning a total of 112*l.*

Public Works.

To the expenditure involved in the making and upkeep of roads, drains, and culverts, as well as in the repair of all public buildings, there has this year been added the very necessary outlay for a surveyor and staff, amounting to some 500*l.* Owing largely to the nature of the soil and the absence of any Government representatives beyond the town of Stanley, saving only the officer discharging the duties of Assistant Colonial Surgeon and Assistant Collector at Fox Bay on West Falklands, public works are confined to Stanley, where the condition of the roads, offices, and works of public utility has immensely improved within the last few years.

The scarcity of steady labour, especially during the summer months, when most of the able bodied population migrate to the sheep farms, the uncertain service rendered, the high wages commanded even by the most unskilled, combined with the high charge for carriage of every necessary, which has to be imported from England, renders the execution of any public works more laborious and costly than in most other Colonies, where the struggle for work is keener.

Legislation.

Few Colonies can be found where legislation and the entire machinery of the law can be restricted within as narrow, I might also add primitive, limits as in this Colony, which does not boast of a single unofficial lawyer.

During the year it was found necessary to pass nine Ordinances.

Four of these merely amended previous Ordinances. Two were the usual financial Ordinances making provision for the service of the Colony.

One of the remaining three was a consolidation, with improved provisions, of the health laws.

The other two provided for the custody and control of lunatics and for due investigation into shipping casualties by regularly constituted courts of inquiry.

Civil Establishment.

Important alterations were carried into effect during the year by the re-arrangement of certain of the principal offices.

The offices of Judge and Colonial Secretary, merged in one official as a tentative measure, were separated, and a judge appointed to perform judicial and legal duties combining the offices of Judge, Police Magistrate, and Legal Adviser.

The Treasurer was appointed to be Colonial Secretary at increased pay, but to continue to discharge the duties of Treasurer, Collector, Postmaster, Harbour-Master, Receiver of Wrecks, and Registrar of Shipping.

In view of increased work and responsibility cast upon him, the emoluments of the Government Clerk and Clerk of Councils were raised to 250*l.* per annum, he having to discharge the duties of Clerk of Councils, Shipping Master, and Paymaster of Pensioners.

Population.

The total number of the population shows but little variation from year to year.

On the 31st December 1894 it stood at a total of 1,902 souls.

The birth-rate throughout the colony was about 28 per thousand, as against 18 per thousand in 1893.

The death rate fell below six per 1,000, demonstrating the very salubrious nature of the climate in spite of its severity and the cold high winds that prevail.

Ecclesiastical.

The spiritual needs of the inhabitants were provided for by clergymen of the Church of England, Roman Catholic Church, and Baptist Mission in the town of Stanley, and beyond Stanley by periodical visits of the two clergymen of the Church of England.

No provision exists for a resident minister in the country outside of Stanley where are the only three churches in the Colony.

The Bishop of the Falkland Islands, who formerly had his head-quarters in the Colony, resides now in Buenos Ayres, but pays periodical visits to the Colony. His last was in April 1894.

Education.

As in the previous year, five schools were open to receive pupils in 1894, *i.e.*, four in Stanley, and one at Darwin.

Those in Stanley comprize:—

(1.) The Government School, with a staff paid by Government and supervised by an Inspector of Schools, having on its roll some 65 pupils, giving an average daily attendance of 44 in its senior branch, and some 86 pupils in the junior or infant department, with a daily average attendance of 34. The numbers on the roll were, in the senior school, 34 boys and 31 girls, and in the junior, 38 boys and 48 girls.

(2.) The Roman Catholic School, having a total muster on the roll of 20 boys and 12 girls, showing an attendance of 30 daily, and receiving a grant in aid from the local Government of 60*l*.

(3.) The Baptist School hitherto had not received any grant-in-aid, but towards the close of the year the Secretary of State sanctioned an annual grant on the same conditions as that allowed to the Catholic School.

The pupils number on the roll 53—30 boys and 23 girls, showing an attendance daily of some 43 in all.

(4.) A private school, conducted by Miss Prior, having some 20 boys and 15 girls on her list.

The only school outside of Stanley is at Darwin, the property of the Falkland Islands Company, who in a praiseworthy public spirit have ministered to the educational requirements of their employees by engaging and maintaining itinerant teachers whose roll of pupils amounts to 37.

Taking into account the Government Schools alone, senior and junior, upon which Government devote a yearly expenditure in salaries and upkeep of over 300*l*., the number of pupils shows a marked increase over the previous year; 151 as against 117.

The Government Schools are strictly unsectarian and undenominational.

Further extension of the means of receiving education is soon to be effected by Government in the appointment of itinerant schoolmasters on the West Falklands, whereby the very poorest families of shepherds and labourers cannot fail to benefit.

Elementary knowledge is imparted very fully throughout; while the higher classes are instructed in such departments (in the Roman Catholic School in the Spanish language) as are best likely to serve in the future when emigrating to the Mainland of South America as many have done.

Prizes are freely given to encourage emulation and diligence and if any fault can be found on this head it is in the somewhat too general distribution, which has a tendency to detract from the distinction intended to be conferred.

FALKLAND ISLANDS. 1894.

Imports and Exports.

The values of imports and exports for the year 1894 show a small decrease as compared with the previous year:—

—	1893.	1894.
	£	£
Imports - - - - -	71,126	62,270
Exports - - - - -	134,872	131,801

This decrease, which is apparent rather than real, is to be accounted for by the imperfect returns furnished at late periods by shippers, and by the late arrival and entering, in January 1895, of two regular trading vessels with full assorted cargoes.

The goods imported and exported were distributed over the following countries:—

Country.	Imports.	Exports.
	£	£
United Kingdom - - - -	54,500	130,071
Germany - - - - -	759	—
Uruguay - - - - -	1,712	—
Chile - - - - -	4,232	1,160
Argentine - - - - -	1,067	570
Total - - - -	62,270	131,801

The bulk of trade is with the United Kingdom, the imports comprising every variety of food articles, dry goods, hardware and oilmen's stores, the exports being wholly the produce of sheep farms and a few seal skins.

The subjoined table shows the principal specific dealings with other countries:— Germany—groceries, wine, tobacco; Uruguay—flour, fruits, and fodder; Chile—flour, timber; Argentine—live stock, building material, flour.

The staple industry, sheep farming, produced only 3,808,475 lbs. of wool, of the value of 105,042*l.* as against 3,885,194 in 1893, owing in a great measure to a larger number of sheep having been slaughtered for the frozen meat trade, and to an increased mortality in the shearing season through the use of steam clipping apparatus, which crops so closely as to endanger the life of the animal, and to throw back the growth of the wool in relation to its clip in the ensuing season.

The following are some of the minor exports for the year :—

—	Quantity.	Value.
	lbs.	£
Tallow - - - - -	179,500	1,980
Sheep skins - - - - -	82,150	16,430
Carcases - - - - -	11,681	4,672
Seal skins - - - - -	651	720

Government Savings Bank.

The Government Savings Bank was instituted and formed under Ordinance No. 1 of 1888, passed on the 20th January of that year.

The first deposit was paid in on the 1st April 1888, since which the remarkable progress of the operations of the Bank has amply justified the wisdom of its formation, as conferring a much required boon upon a thriving and naturally saving population.

The Bank returns are noteworthy in regard to the fact that they represent not the profits of the wealthy or the well-to-do, but the accumulated savings of the shepherds and labourers in the Colony.

The following is a statement of the transactions of the Bank since its establishment on 1st April 1888 to 30th September 1894 :—

Year.	Accounts opened.	Accounts closed.	Number of Deposits.	Number of Withdrawals.	Amount of Deposits with Interest accrued.	Amount of Withdrawals.
					£ s. d.	£ s. d.
1st April 1888 to 30th Sept. 1888 -	32	—	60	—	4,201 1 5	—
1888-1889 - -	67	7	150	37	13,809 8 8	2,871 5 10
1889-1890 - -	56	21	188	93	8,972 7 4	6,300 19 5
1890-1891 - -	70	30	256	182	8,577 2 2	4,700 1 6
1891-1892 - -	62	37	291	103	8,668 5 9	5,355 9 2
1892-1893 - -	60	32	250	112	11,923 1 4	6,790 3 5
1893-1894 - -	68	38	325	123	10,497 7 7	7,817 0 11
Total -	415	165	1,520	650	66,648 14 3	33,895 0 3

The result of the establishment of the Bank therefore shows that there are 250 depositors with a balance of 32,753*l.* 14*s.*, or an average of 131*l.* 0*s.* 3*d.* standing to the credit of each account.

The depositors have been credited with 757*l.* 11*s.* 1*d.* in interest during the year, being 123*l.* 16*s.* 3*d.* in excess of that credited last year, while the balance of deposits over withdrawals is 2,680*l.* 6*s.* 8*d.*

FALKLAND ISLANDS. 1894.

On the 30th September 1894 the investments on account of the bank stoods thus:—

	£	s.	d.
Consols - - - -	3,199	1	3
Inscribed Stock - - -	25,707	9	0
Uninvested - - - -	3,847	3	9
Total - - -	32,753	14	0

The income earned by the Bank during the year has been 882*l.* 7*s.* 6*d.*, and the expenses incurred, 761*l.* 15*s.* 1*d.*, leaving a profit of 120*l.* 12*s.* 5*d.*

No charge for management has been debited against the Bank.

Shipping.

Fewer sailing vessels were entered during the year, as against an increased number of steam vessels in the previous year.

	Steam.		Sailing.		Total.	
	No.	Tons.	No.	Tons.	No.	Tons.
Entered - - -	21	26,345	18	12,043	39	38,388
Cleared - - -	21	26,345	13	6,564	34	32,909

Two of Her Majesty's ships arrived and made a prolonged stay in the Colony during the year, but are not included in the above returns, viz.:—

H.M.S. "Racer," Commander Rolleston, R.N.

H.M.S. "Acorn," Commander Inglefield, R.N.

Agriculture.

Tillage and land cultivation is practically unknown saving only for domestic purposes.

About 100 acres may be said to be appropriated to the cultivation of kitchen gardens by separate families for home consumption only. Tubers and ground crops do well, but the normally high prevailing wind is fatal to the healthy existence of any plant or fruit rising more than two or three feet above ground. The Colony is essentially pastoral and the sole industry the raising of sheep, to which the entire acreage of 6,500 square miles or 4,166,400 acres is devoted.

Some portions of the land are, of course, useless for any purpose, being nothing but soft bog, and stone runs, where neither grass will grow nor animals can tread.

There were at the close of 1894 over three-quarters of a million sheep in the Colony, one firm alone being able to compute its flocks at a quarter of a million.

Horned cattle amounted to 8,192, and horses to 3,294.

Locomotion is performed inland entirely on horseback, every farmer keeping a sufficient number of horses for all his hands.

Wages for unskilled labour rule high, owing to the supply being less than the demand.

At the same time, to avoid misapprehension, it has to be borne in mind that employers of labour of any kind are so few in number that the demand is limited and by no means sufficient to encourage immigration to the Colony.

Under existing conditions it may be, and, as compared with populous civilized countries, undoubtedly is, the labourer's paradise; but a trifling addition to the working classes from outside would quickly set the balance the other way.

In the town of Stanley, shipwrights, joiners, carpenters, and blacksmiths command from 8*s.* to 16*s.* a day when working for vessels forced to call in for repairs, while the most ordinary labourer receives his 8*d.* per hour so long as he chooses to work.

Sailors engaged on coasting trade, which also embraces runs to the neighbouring Mainland of Patagonia, secure at least 5*l.* a month.

Domestic servants are very scarce.

Gaols and Prisoners.

Crime in its serious phases is happily almost unknown, and the office of gaoler in the only prison in the Colony, that in Stanley is so much of a continuous sinecure as to permit of that official being also entrusted with the duties of Government printer.

The prison is small, well-built, well-found and well-conducted, and is governed by the rules pertaining to prisons in England, allowing only for altered local conditions and appliances.

During the year, only 11 prisoners were received into gaol, upon conviction by the Courts, for the following offences:—

For larceny - - - - -	6
Breach of Merchant Shipping Act - - -	3
Common assaults - - - - -	2

Post Office.

The receipts under this head were 1,205*l.* for the year, or an increase over 1893 of nearly 600*l.*

Of this large sum, however, nearly 400*l.* was the triennial payment to the Colony for sea transit rates.

FALKLAND ISLANDS. 1894.

The remaining 200*l.* resulted from a larger demand for stamps, principally by stamp collectors. Money orders were issued upon the United Kingdom and other countries, thus :—

	£
United Kingdom - - - - -	4,863
Germany - - - - -	135
America, United States - - -	33
Norway - - - - -	41
Belgium - - - - -	6
France - - - - -	3
Switzerland - - - - -	1
Holland - - - - -	2

These yielded a revenue in commissions to the Colony of 62*l.* 18*s.*

The amount of correspondence passing through Stanley Post Office, the only one in the Colony, showed a steady increase from month to month.

856 packages and parcels were dealt with, that is, 710 from the United Kingdom, 146 to the United Kingdom, giving a revenue of over 50*l.*

Of the total number, 1,761, of registered letters passing through the Post Office, 310 were received from abroad, while 1,451 were despatched from Stanley, giving a return to the Treasury of 12*l.*

The following statement shows the comparative numbers in 1893 and 1894 of parcels and registered letters.

	1893.	1894.	Increase.
Parcels - - - -	814	856	42
Registered letters - - -	1,403	1,761	358

The remote and isolated position of the Colony, and the difficulty of communicating from Stanley with other places on the East and West Falklands, renders a very large outlay necessary each year for the maintenance of anything approaching a regular Mail Service.

The following was expended in 1894 :—

	£
Mail steamship - - - -	1,800
Local schooner - - - -	360

for carriage of mails alone.

The territorial transit rates payable to the United Kingdom for mail matter beyond London were 128*l.* 15*s.*

The Post Office management being in the hands of public officers holding other wholly distinct appointments, the outlay from public funds for postal expenses in Stanley stood at the low total of 20*l.*

The three years' mail contract with the German Kosmos Line will expire in 1895, when it is hoped that more liberal terms and

an improved service may be secured which will bring the Colony into more close and frequent communication with England.

General Remarks.

The financial condition of the Colony is sound, and there is no public debt.

The port is practically free when it is considered that the only duties imposed by law are those on luxuries such as spirits and tobacco.

The main drawback experienced by Government and by resident sheep farmers is the difficulty and delay in communication.

There are no roads, nor can any be made, save at a prohibitive cost, owing to the soft boggy ground.

Communication by land has to be performed from homestead to homestead on horseback, and in winter, when the ground becomes very soft, is tedious and fatiguing—sometimes almost dangerous. Nor is travelling rendered agreeable by varying scenes of natural beauty or the possibility of sport on the way. In the main, the entire aspect is one of endless moorland, dreary in the extreme, and devoid of life save where sheep happen to graze, and unrelieved by a solitary tree.

The West Island has to be reached by water, and sailing in this latitude presents few features of attraction.

With a view to bringing the residents of West Falklands more in touch with the capital and of providing for their requirements on the spot, his Excellency the Governor appointed a commission to travel through the islands and make such recommendations as they deemed proper for bettering the position of the people. The commissioners' report is under consideration.

The Colony is in a thoroughly prosperous and satisfactory state.

Nature has fitted the country by soil and climate for pasture alone which can be profitably turned to account only for sheep and cattle.

Agriculture on a scale calculated to give any return is impossible upon such soil as prevails throughout.

Mines are as yet undiscovered, even if in this geological formation it were worth while to prospect, which is doubtful.

The sealing industry is so limited as to be not worth taking into account. If, however, the industry were properly protected, and the fisheries closed for a term of years, it might become valuable when recommenced under proper conditions and restrictions, but it will always be difficult to ensure the protection of the seals during the years when the seals are recuperating, unless a man of war is stationed to prevent foreign vessels taking the seals.

Employment can be found only for a limited number, and immigration to any extent could never be attracted, although,

having regard to the ruling scale of wages in force and to the extreme independence of all classes of labour, there is undoubtedly room for a few workmen skilled in all branches of trade.

Poverty in its European acceptation of the word is absolutely unknown. The poorest in the humblest walks of life need not, and as a fact never do, want for a sufficiency, while those in regular employment may be said to live in luxury compared with their English confrères.

Climatic conditions are as conducive to health and to the absence of endemic or enteric disease as can be found anywhere in the world.

The winds are high, incessant, and trying to the weakly, but are dry and healthy.

The cold is tolerably constant and severe, but the temperature is far more equable than in England, for here it practically never freezes nor, on the other hand, does the sun ever make its presence felt with undue force.

Strangely enough the industry of fishing, which in sea girt islands one would expect to find general, does not even exist. In Stanley itself no one goes beyond laying nets in the harbour. The harvest reaped from these ought to be some index of what might be obtained further afield.

In the principal streams trout are found, and it is contemplated, through the kind assistance proffered by the Marquis of Exeter, to introduce salmon ova.

From one cause and another, the Islands have fallen from their high estate as a happy hunting ground for sportsmen. The wild cattle which abounded have been entirely cleared offthe face of the country to make way for sheep. Wild geese at certain seasons remain to the fore and afford plentiful sport, but teal, duck, snipe, and other game have become scarcer every year.

In concluding this report I desire to bear testimony to the willing and prompt response on the part of nearly all the residents and farmers throughout the Colony to my request for information upon which I had to rely in compiling the statistics of population, produce, stock, &c. on individual stations.

F. CRAIGIE HALKETT,
Colonial Secretary.

COLONIAL REPORTS.—ANNUAL.

No. 175.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1895.

(For Report for 1894, *see* No. 147 of this Series.)

Presented to both Houses of Parliament by Command of Her Majesty.
August 1896.

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COLONIAL REPORTS.

The following, among other, Reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page:—

ANNUAL.

No.	Colony.	Year.
141	Turks and Caicos Islands	1894
142	Malta	"
143	Gambia	"
144	Windward Islands	"
145	Trinidad and Tobago	"
146	Gibraltar	"
147	Falkland Islands	"
148	Hong Kong	"
149	Straits Settlements	"
150	Lagos	"
151	Seychelles	"
152	Basutoland	1894–95
153	Fiji	1894
154	St. Helena	"
155	Ceylon	"
156	Mauritius	"
157	Labuan	"
158	Gold Coast	"
159	British Guiana	"
160	Sierra Leone	"
161	Jamaica	1894–95
162	British Honduras	1894
163	British Bechuanaland	1894–5
164	Newfoundland	1894
165	Gambia	"
166	Bermuda	"
167	Leeward Islands	"
168	British New Guinea	1894–95
169	Zululand	1895
170	Sierra Leone	"
171	Gibraltar	"
172	Malta	"
173	Barbados	"
174	Turks and Caicos Islands	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.

No. 175.

FALKLAND ISLANDS.

(For Report for 1894 see No. 147.)

Sir R. T. GOLDSWORTHY to Mr. CHAMBERLAIN.

Government House, Stanley,
May 30, 1896.

SIR,

I HAVE the honour herewith to forward the Blue Book Report for the year 1895, compiled by Captain Halkett, Colonial Secretary.

I have, &c.
ROGER TUCKVILLE GOLDSWORTHY,
Governor.

REPORT on the FALKLAND ISLANDS BLUE BOOK, 1895

Taxes, Duties, Fees, and other sources of Revenue.

Revenue is mainly derived from rent of leased Crown lands, customs duties, and interest upon invested capital, the proceeds of sale of freehold land.

The annual receipts are supplemented, often to a considerable extent, by revenue from the Post Office, port and harbour dues, fees of court, tax on tenements in Stanley, and licenses as follows, publicans, wholesale and retail, tobacco, town and country, billiard tables, auctioneers, dogs.

There are no export duties, and import duties only on liquor and tobacco.

Revenue.

The actual revenue in 1895 exceeded that of the previous year by 560*l.* derived from larger customs receipts and rents for Crown land.

The revenue for 1894 was 11,958*l.*
„ „ 1895 „ 12,518*l.*

FALKLAND ISLANDS. 1895.

Subjoined are the items of revenue for 1895—

	£
Customs - - - - -	3,550
Port, harbour, and tonnage dues - -	137
Licenses and internal revenue - -	503
Fees of court and offices - - -	492
Post Office - - - -	1,068
Rents of leased lands and commonage -	4,880
Miscellaneous - - - -	45
Interest on investments - - -	1,843
Total - - -	12,518

Under the following heads a total increase of 1,237*l.* is declared over the previous year, viz. :—

1. Customs.—414*l.*, from large imports of dutiable articles.
2. Licenses and internal revenue.—95*l.*, from issue of more licenses and receipt of larger royalties upon seals taken.
3. Rents.—651*l.*, owing to renewal of expired leases at double rentals.
4. Interest on investments.—77*l.*, from larger deposits in the Government Savings Bank invested in home securities.

A total falling off in receipts of 677*l.* is shown under the heads of—

1. Fees of court and offices.—313*l.*, through decreased probate business and court fees.
2. Port, harbour, and tonnage dues.—7*l.*, owing to fewer vessels paying pilotag .
3. Post Office.—137*l.* No sea transit rates having been received during the year.
4. Miscellaneous.—220*l.*, owing to the absence of sale of property.

Instalments due on account of purchases of freehold Crown land were received during the year to the amount of 2,037*l.*

This sum is not included in current revenue but is invested in a distinct capital fund, the "Land Sales Fund," the interest accruing to which is credited to general revenue.

On the 31st December 1895 this fund stood at 15,168*l.* invested in consols and inscribed stock.

The revenue receipts for 1895 show a satisfactory advance over what was estimated for the year thus :—

	Estimated.	Actual.	Advance.	
	£ 11,517	£ 12,518	£ 1,001	

This increase was received under the following heads:—

	£
Customs	285
Licenses and internal revenue	150
Fees of court, &c.	46
Post Office	357
Rents	91
Interest on invested capital	113
Total	1,042

Against these a reduction has to be made of amounts received less those estimated of—

Port, harbour, &c., dues	3
Miscellaneous	38
Total	41

The increase is mainly due to a large importation of dutiable articles, that is liquor and tobacco; to an unforeseen demand on the part of collectors and others for stamps, and to a considerable addition to the amount of money deposited in the Government Savings Bank, and remitted to England for investment.

Expenditure.

The actual expenditure for all services exceeded the actual revenue by 640*l.*, and the estimated expenditure by 1,766*l.*, as thus detailed:—

More than estimated.	£	s.	d.	Less than estimated.	£	s.	d.
Pensions	20	17	8	Governor	29	18	6
Colonial Sec.'s Department	78	7	7	Customs	12	15	8
Audit	11	11	0	Police	12	7	1
Port and marine	141	9	9	Prisons	52	19	2
Legal	76	8	0	Ecclesiastical	6	7	8
Medical	26	6	5	Transport	169	13	2
Education	58	14	8	Survey	247	10	5
iscellaneous	518	15	8				
Post Office	41	0	9				
Public Works	1,043	1	10				
Interest	138	6	3				
Drawbacks	142	17	0				
Total	2,297	16	7	Total	531	11	8

	£	s.	d.
Expended more than estimated	2,297	16	7
„ less „	531	11	8
Net expended over estimate	1,766	4	11

FALKLAND ISLANDS. 1895.

The estimated expenditure for 1895 was 11,393*l.*, and the actual expenditure 13,159*l.*

The principal causes of the excess of expenditure are to be found—

1. In a thorough refit of the Government pilot boat Victoria, and repairs incidental on a subsequent accident thereto, amounting to 150*l.*, charged under head of Port and Marine.
2. In the grant of 76*l.* under the head of Legal on account of the previous year.
3. In the purchase for 500*l.* of a freehold residence for use as officers' quarters charged to "Miscellaneous."
4. In expenditure involved by the lighting and improvement of the town of Stanley, Public Works Vote.
5. In the liability of Government to pay interest upon larger amounts deposited than were anticipated in the Government Savings Bank.
6. In refunds of monies paid by way of rent, and for compulsory purchase of freehold blocks of land necessitated by sales of land, the adjustment of leases, and exchange of sections.

A considerable saving was, on the other hand, effected under the heads of "Prisons," "Transport," and "Survey," resulting (1) from fewer committals to prison, (2) absence of liability for passages of Government officers, and (3) decrease in wages required for chainmen and in the cost of maintaining horses.

The general expenditure for 1895 exceeded that of 1894 by 764*l.*, mainly through larger outlay on public works and the acquisition of freehold property.

	£
Expenditure for 1894 - - -	12,395
„ „ 1895 - - -	13,159

Subjoined are the items expended :—

	£
Pensions - - - - -	334
Governor - - - -	1,394
Secretariat - - - -	1,109
Customs - - - - -	192
Audit - - - - -	66
Port and marine - - - -	36
Legal - - - - -	599
Police - - - - -	568
Prisons - - - - -	97
Medical - - - - -	605
Education - - - -	513
Ecclesiastical - - - -	462
Transport - - - -	100

	£
Miscellaneous - - - -	779
Post Office - - - -	2,271
Public Works - - - -	2,276
Interest on Savings Bank deposits -	808
Drawback and refunds - - -	223
Survey - - - - -	402
Total - - -	13,159

The payments under various heads show as below compared with 1894.

	Increase.	Decrease.
	£	£
Pensions - - - - -	21	—
Governor - - - - -	11	—
Colonial Secretary's Department -	65	—
Customs - - - - -	10	—
Audit - - - - - -	10	—
Port and marine - - -	187	—
Legal - - - - -	107	—
Police - - - - -	75	—
Prisons - - - - -	—	69
Medical - - - - -	22	—
Education - - - - -	48	—
Ecclesiastical - - - -	1	—
Transport - - - -	—	464
Miscellaneous - - - -	183	—
Post Office - - - -	23	—
Public Works, including Survey -	383	—
Interests on deposits - - -	51	—
Drawbacks and refunds - -	200	—
Total - -	1,297	533

Assets and Liabilities.

This statement shows an excess of assets over liabilities on 31st December 1895 of 15,287*l.* 17*s.* 11*d.*, as compared with 14,020*l.* on the 31st December 1894.

The difference between this excess and the amount shown as expended on investments in the Land Sales Account represents the surplus remaining at disposal at the close of the year.

	£	*s.*	*d.*
	15,287	17	11
	14,895	3	2
Surplus -	392	14	9

FALKLAND ISLANDS. 1895.

Among the assets, investments in the hands of the Crown Agents have largely increased thus:—

——	1894.	1895.
	£	£
Land Sales Account -	12,979	14,895
Savings Bank - -	27,921	33,691

On the other hand the Surplus Fund has decreased and advances have been paid off thus:—

——	1894.	1895.
	£	£
Surplus Fund Account -	1,840	1,041
Advances due to Colony	489	326

(Gross value about 1,500*l.*)

No account is taken in the Colonial Assets of the large amount of stores for current use in carrying on public works, the cost of which has been defrayed from Revenue.

The liabilities are largely swelled by increased deposits in the Government Savings Bank, and by the larger subsidy demanded for an improved mail service thus:—

——	1894.	1895.
	£	£
Savings Bank - -	33,045	35,604
Mail Contract - -	900	1,200

Government Savings Bank.

The Government instituted this savings bank in January 1888, since which date the transactions up to the final audit at the close of the last financial year, on the 30th September 1895, have been as below:—

Year.	Accounts opened.	Accounts closed.	Number of Deposits.	Number of Withdrawals.	Amount of Deposits with Interest accrued.	Amount of Withdrawals.
					£ s. d.	£ s. d.
1st April 1888 to 30th Sept. 1888 -	32	—	60	—	4,201 1 5	—
1888-1889 - -	67	7	150	37	13,809 8 8	2,871 5 10
1889-1890 - -	56	21	188	93	8,972 7 4	6,300 19 5
1890-1891 - -	70	30	256	182	8,577 2 2	4,760 1 6
1891-1892 - -	62	37	291	103	8,668 5 9	5,355 9 2
1892-1893 - -	60	32	250	112	11,923 1 4	6,790 3 5
1893-1894 - -	68	38	325	123	10,424 17 3	7,817 0 11
1894-1895 - -	64	32	312	148	9,355 6 4	7,620 14 11
	479	197	1,832	798	75,931 10 3	41,515 15 2

On 30th September 1895 there were 282 depositors, nearly all of the labouring class, owning 34,415*l.* 15*s.* 1*d.*, or an average each of 122*l.*

The amount of 808*l.* 5*s.* 4*d.*, or 50*l.* 14*s.* 3*d.* more than in the preceding year, in interest was paid away or credited to depositors during the financial year.

The rate prescribed by law is 2½ per cent. per annum payable for any sum of one complete pound and over and for any period of one complete calendar month and over.

968*l.* 0*s.* 2*d.* was credited to the Government as interest upon the bank capital, invested thus:—

	£	*s.*	*d.*
In Consols - - -	5,038	8	4
In Inscribed Stock - -	27,353	15	4
	32,392	3	8
Uninvested -	2,023	11	5
	34,415	15	1

The only expenses involved by the conduct of the Savings Bank were 15*l.* 15*s.* for a new and complete audit by the paymaster of one of Her Majesty's ships with the local mail steamship agent.

Subjoined is the capital account and the profit and loss account.

FALKLAND ISLANDS SAVINGS BANK CAPITAL ACCOUNT, 30th September 1895.

DR.

1895.	£	s.	d.	£	s.	d.
30th Sept., invested in securities - -	32,392	3	8			
Cash in hand, uninvested - -	20,230	11	5			
				34,41	515	1
				34,415	15	1

CR.

	£	s.	d.	£	s.	d.	£	s.	d.
On deposit 30th Sept. 1894 - - -				32,681	3	8			
Deposits 1st Oct. 1894 to 30th Sept. 1895 -	8,547	1	0						
Withdrawals - -	7,620	14	11						
				926	6	1			
Interest 1st Oct. 1894 to 30th Sept. 1895 -				808	5	4			
							34,415	15	1
							34,415	15	1

FALKLAND ISLANDS BANK PROFIT AND LOSS ACCOUNT, 30th September 1895.

	£	s.	d.	£	s.	d.
Interest on Investments - - -	938	0	2			
				968	0	2
				968	0	2

	£	s.	d.	£	s.	d.
Interest paid and credited to depositors 1st Oct. 1894 to 30th Sept. 1895 - -	808	5	4			
Expenses of audit - - - -	15	15	0			
				824	0	4
Profit on year's transactions - - -	143	19	10			
				143	19	10
				968	0	2

Checked, audited, and found correct.

M. STEPHENS,
H. SOHLOTTFELDT, } Commissioners.

F. CRAIGIE-HALKETT,
Treasurer.

Postal.

The contract with the German Kosmos Steamship Company for the conveyance of mails which expired during the year was renewed for a period of five years, with an obligation to call at Port Stanley regularly once every three weeks.

This also led to more frequent communication being established with the West Falkland Island; the result being that though not as yet a link in an ocean cable the whole Colony is brought into closer touch with the outside world.

During the year the articles which passed through the postal department still maintained a steady increase.

There was an unusually large increase in the sale of stamps, amounting to 938*l.*, exceeding that of 1894 by 252*l.*

This increase is owing to the larger demand for stamps by collectors.

The sale of money orders in the Colony increased from 5,088*l.* in 1894 to 6,007*l.* in 1895.

Shipping.

The number of steam vessels entered and cleared was 15, as against 21 in the previous year, which included the passing calls of the Norwegian fleet en route for the Antarctic.

Deducting these latter from the preceding year the steam traffic during the present year in reality increased.

This increase is due to the more frequent calls of the German line of steamers, which now convey the mails with merchandise regularly once every three weeks.

Twenty-one sailing vessels arrived in the Colony in 1895 the aggregate tonnage of which was 14,204 and the crews of which numbered 311.

Of the arrivals, nine were engaged in the trade of the Colony, 12 put into Stanley to repair damages. Of the disabled ships there were six British, one American, one German, two Norwegian, and one Chilian. Nine of these repaired and proceeded on their respective voyages. One British vessel, the "Thomas Stephens" sailed under jury rig to the Cape to undergo repairs there. While the "Glengowan" of Glasgow, 1,801 tons, on her first voyage from Glasgow to San Francisco with a cargo of coals, was lost in Port Stanley. The cargo was discovered to be on fire and the vessel had to be abandoned. The crew were saved.

Though these arrivals give an increase in number over those of 1894, they show a falling off as compared with 1893. The tonnage, however, of both steam and sailing vessels has largely increased.

The reasons which were then enumerated still apply.

Steam largely replacing sail, vessels of small tonnage giving place to vessels of greater size, the improvement in the quality of preserved provisions, and the more commodious storage space for water, indeed the fact that vessels are in every way better found is one cause of the diminution in the number of vessels putting in here.

FALKLAND ISLANDS. 1895.

Though British shipping is not paramount, the natural products of the Colony are borne direct by the German line of steamers to the United Kingdom, and the share of the United Kingdom in the imports amounts to 89·4 per cent.

The subjoined tables show the total numbers entered and cleared as compared with 1894, and their respective nationalities.

Sailing Vessels.

	1894.		1895.	
	No.	Tons.	No.	Tons.
Entered - - -	18	12,043	21	14,204
Cleared - - -	13	6,564	17	10,036

Steam Ships.

	1894.		1895.	
	No.	Tons.	No.	Tons.
Entered - -	21	26,445	15	27,986
Cleared - - -	21	26,345	15	27,986

Sailing, 1895.

	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
England - - -	15	10,801	12	7,325
Germany - - -	1	1,603	1	1,603
United States - - -	1	60	1	60
Chili - - - -	1	358	1	358
Norway - - - -	1	1,382	1	363
Total - -	19	14,804	16	9,709

Steam.

	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
Germany - - -	14	26,093	14	26,093
England - - -	1	1,893	1	1,893

Industries.

A departure of great importance to the staple industry of the Colony was made by the appointment of a stock inspector and staff.

Much improvement in the breeding, care, and management of sheep, and the means adopted for the eradication of sheep disease, is expected from the constant supervision and advice (supported by adequate legislation) of a competent and experienced staff of inspectors living and moving with the special object among the farmers. The chief inspector's report for 1895 forms part of the Appendix D.

Imports and Exports.

The estimated values of imports were higher, but those of the exports lower, in 1895 than in either of the preceding years.

	1893.	1894.	1895.
Imports - - -	71,126	62,270	71,826
Exports - - -	134,872	131,801	122,988

The following table shows the imports and exports from and to various countries side by side with the previous year.

	Imports.		Exports.	
	1894.	1895.	1894.	1895.
United Kingdom - -	54,500	64,248	130,071	122,983
Germany - - - -	759	720	—	—
Uruguay - - -	1,712	3,615	—	—
Chile - - - - -	4,232	3,243	1,160	—
Argentina - - -	1,067	—	570	—
Totals - - -	62,270	71,826	131,801	122,988

The nature of the imports continues practically unchanged, and by far the greater bulk come from the United Kingdom.

The subjoined table of the principal exports shows a reassuring advance over 1894.

Article.	Quantity.		Value.	
	1894.	1895.	1894.	1895.
			£	£
Wool - - -	3,808,475	4,024,500	105,042	100,612
Tallow - - -	179,500	329,900	1,980	2,749
Sheep Skins - -	82,150	80,230	16,430	10,028
Carcases - -	11,681	19,432	4,672	6,801
Seal Skins - -	651	672	720	1,008

The values are, according to the state of the markets, liable to fluctuation, and in preceding years have undoubtedly been taken from the highest rather than an average stand point. Those for 1895 are taken at a low market rate, thus lowering the apparent total value of larger imports.

Education.

At the commencement of the year the question of Education was among those which received the careful attention of the Government.

The report of the Inspector of Schools shows that education in the Government Schools has progressed.

The elementary subjects of reading, writing, and arithmetic received the attention of the bulk of the scholars and next to those the most popular are geography, history, drawing and music.

It is unnecessary to do more than make passing reference to the report of the Commissioners on the requirements in this respect of the West Falkland Island, where the necessity for the provision throughout of proper facility for elementary education was urgently brought forward, as the appointment of itinerary schoolmasters, though approved of, had not been concluded owing to the impossibility of procuring competent teachers locally.

Between the two other schools in Stanley, both denominational, and the Government School a wholesome rivalry has arisen which has become more accentuated during the past year owing to the efforts made to induce the head masters of these quasi voluntary schools to improve their curriculum, and the appurtenances of their schools, and to put them on a par, as far as possible, with the Government elementary school. The difficulty they have

hitherto had to contend with, has not resulted from the want of willingness on the part of the local managers, but from the want of the necessary funds. Government partially met this want by aiding these voluntary schools, and by legislating therefor at the same time secured a larger attendance of pupils.

The total number of scholars on the registers receiving education throughout the East Island, which was returned as 244 in 1893, rose to 308 in 1894 and to 317 in 1895. The general improvement in the average attendance as shown by the latest returns is a matter of considerable satisfaction and reflects credit alike on parents, managers, and teachers.

Defences.

There are no Imperial troops stationed in the Colony, but there is a volunteer force composed of infantry recruited locally and equipped with the Martini, the men being also drilled with two M. L. R. nine-pounders. The force is officered by Colonial officials and residents assisted by a drill instructor belonging to the regular forces.

The cost of the force is met by the capitation grant earned annually by the members who are returned as "efficients," this cost is borne entirely by the local government. In the year under review there were 54 efficients out of 107 enrolled members as compared with 61 out of a total number of 100 in the preceding year.

Her Majesty's ships of war stationed on the south-east coast of America visited the Island during the year.

With the arrival of H.M.S. "Barracouta" in October, the proposal to transfer the firing range from the foreign port of Colonia, in the Republic of Uruguay, to this Colony was carried out by the selection of a site for that purpose outside the town of Stanley.

The fact of the squadron undergoing their firing pratice here will necessarily make the visits of Her Majesty's ships more frequent and will cause these islands, which form the sole British territory on the South American station, to be used to more advantage for naval purposes than heretofore.

Legislation.

Of the eleven Ordinances passed during the year, and which received Her Majesty's approval, the following deserve particular notice.

1. "An Ordinance to make provision for the Eradication of Scab or other Infectious or Contagious Diseases in Sheep."

Under this Ordinance a chief inspector and two sub-inspectors from New Zealand have been appointed. All of the sheep stations in the Colony have been visited and inspected by these officers and active steps taken to eradicate scab from the various sheep runs on which it was discovered. The long experience of

the chief inspector in sheep farming and in the exportation of live sheep and frozen meat will be utilized, if practicable, to stimulate every branch of the most important industry in the Colony.

2. "An Ordinance to Regulate the Attendance of Children at School."

This Ordinance has already resulted in a large increase in the attendance of children at the four schools in Stanley. It is hoped that further benefits will result from the enforcement of its provisions, and that it will be possible to extend them to other districts of the Colony.

3. "An Ordinance to provide for the appointment of a Stipendiary Magistrate for the Island of West Falkland."

This law vests in the magistrate of the West Falkland Island the same powers and jurisdiction that are exercised by the Police Magistrate of the Colony, who is stationed in Stanley. It thus enables residents on the West Island to have certain disputes summarily settled on the spot which could previously only have been decided in Stanley.

The stipendiary magistrate is ex officio collector of customs, and whilst additional facilities are thus afforded to trade, a proper control may be exercised over possible smuggling.

Ecclesiastical.

The clergy in charge of the churches in Stanley, namely, the Protestant (2), Baptist (1), and Roman Catholic (2), remained at the same number as in the previous year.

There are no places for Divine worship outside of the town; the ministrations in the camp throughout the Colony are carried out by the clergy of the various denominations.

The report by the Colonial Chaplain forms Appendix B.

Population.

The total estimated population is 1,953, including aliens and resident strangers, the latter of whom amounted to 120 according to the census returns of 1891. The inhabitants of Stanley number approximately 700, the remainder reside in the country districts.

The total number of births was 51 as against 57 in 1894.

There were seven marriages.

The death rate amongst the inhabitants was low, viz., 10·24 per 1,000, which speaks volumes for the healthiness of these islands.

Medical report forms Appendix A.

Public Works.

Considerable improvement was effected during the year in the state of the roads in Stanley.

Important reclamation work was begun and an extensive sea wall or breakwater erected at the most suitable point in the sea frontage for filling in.

The system of street lighting was practically completed and where, but a very few years back, the mere venturing out after dark entailed some danger and no little discomfort, it is now possible to walk with perfect security and even for pleasure. Among other new works of a public nature must be included buildings erected at Fox Bay on the West Island for the accommodation of the first official appointed to fill the newly created and important post of stipendiary magistrate of that district.

Civil Establishment.

The personnel at Stanley, on the East Falklands, remained the same as in the previous year.

The discharge of duties appertaining to customs and excise, &c. on the West Falklands, which had fallen since 1888 upon the Assistant Colonial Surgeon, was discontinued during the year.

Whilst this officer was of great assistance to the Government, the necessity of the change was apparent from a casual inspection made of the Island when it was found that the arrangement by which the expenses of this medical officer were met partly by Government funds and partly by contributions from the residents on the West Falklands, had the effect of dividing his responsibility. It therefore became a matter for consideration whether the combined offices should not be reformed and the administrative functions transferred to another.

It was subsequently deemed essential that this part of the Colony should be placed under the supervision of an independent official.

The post of Stipendiary Magistrate and Deputy Collector of Customs for the West Falklands was consequently created, and Mr. G. Hurst, who was appointed thereto, assumed the duties as such towards the end of the year.

In the ecclesiastical department it was decided to place the incumbent of the Baptist Church upon the same footing as regards State assistance as the Roman Catholic Priest, and the Assistant Minister of the Anglican Church, and provision was accordingly made in the estimates for the following year.

In the secretariat the good service of the Treasury clerk was recognised by an increase, approved by the Secretary of State, of 25*l.* per annum to his pay, such increase to be personal to himself.

General.

The acquisition by the Admiralty of a rifle range for the use of Her Majesty's ships was a step of some importance as affecting the future of the Colony.

Apart from the tangible benefits arising from the presence of Her Majesty's ships, thus in a measure assured, it is no small

matter that the possible utility of these islands for Imperial purposes has been recognised.

The geographical position of the islands for naval purposes of coaling supply and rendezvous for both Atlantic and Pacific stations is unrivalled, while the many useful natural harbours offer an additional argument for utilising this, the only English soil south of Trinidad on the Atlantic, and Vancouver on the Pacific side of America, and which commands the trade round the Horn and through the Straits of Magellan.

No mean proportion of the output of this Colony is the amount paid for carriage of imports and exports.

In the absence of correct returns from the principal carriers it is not possible to quote exact figures.

Approximately, the amount paid out during 1895 for passengers and freight cannot be less than 10,000*l.* Apportioned thus :—

	£
For passengers between England, Monte Video, Punta Arenas, and Stanley -	3,700
Freight on exports, wool, &c. - -	4,300
„ „ other goods, exports and imports	2,000
Total - - - -	10,000

To this payment from private as well as Government sources, but mainly private, must be added the annual mail subsidy of 2,500*l.*, making up the respectable annual receipt by the mail and freight carriers from the Colony of 12,500*l.*

F. CRAIGIE HALKETT
Colonial Secretary.

May 8, 1896.

APPENDIX A.

ANNUAL MEDICAL REPORT BY COLONIAL SURGEON.

SIR, Stanley, March 12, 1896.

I HAVE the honour to furnish my annual medical report for the Blue Book on the sanitary condition of the settlement for the year 1895.

I am happy to place on record the fact that the health of the settlement still continues very good, and the entire absence of endemic disease or other preventible malady is remarkable and testify as to the health-giving qualities peculiar to these Islands: true the hybrid known as influenza pays an annual visitation in the spring of each year, but no fatal cases have resulted from it. The ordinary cases, so common in England amongst children, are rare. Owing to the unprecedently severe winter and spring, catarrh and febrile were common.

I regret to inform you that the number of casualties from drowning have been in excess of what has occurred for some years pass.

I have, &c.
S. HAMILTON.

The Hon. The Colonial Secretary.

APPENDIX B.

REPORT OF EDUCATION FOR 1895.

There has been no change since the last report in the number of schools in operation.

In Stanley there are—

1. The Government senior mixed school.
2. „ „ infants „
3. „ Roman Catholic „
4. „ Baptist

In the Falkland Islands Company's camps—

1. One mixed school in Darwin Harbour.
2. One travelling schoolmaster.

The education in the Government schools has, if anything, progressed. Both schools having passed very good examinations before the Christmas holidays.

The private schools were not officially examined.

The Colonial Government is about to appoint two travelling schoolmasters on West Falkland.

The number of children on the rolls, and the average attendance in each school, as far as supplied, are as follows :—

The Government Senior Mixed School.

——	On the Roll.	Average Attendance.
Boys - - -	41	28
Girls - - -	42	20
Total - -	83	48

The Government Infant School.

——	On the Roll.	Average Attendance.
Boys - - -	44	29
Girls - - -	42	26
Total - -	86	55

Roman Catholic School.

——	On the Roll.	Average Attendance.
Boys - - -	25	23
Girls - - -	12	11
Total - -	37	34

The Baptist School.

——	On the Roll.	Average Attendance.
Boys - - -	32	27
Girls - - -	24	19
Total - -	56	46

The Falkland Island Company's Camps.—Darwin Harbour.

——	On the Roll.	Average Attendance.
Boys - - -	8	21
Girls - - -	13	
Total - -	21	

The Travelling Schoolmaster.

——	Boys.	Girls.	Total.
On the Roll - - -	16	12	28

From the foregoing returns the following is the result:—

1. Total number on the rolls in Stanley - - 268
2. Average attendance - - - 183

In the total number of children on the Rolls, some having changed from school to school are in all probability counted twice over.

The School Attendance Ordinance of 1895 has caused a most marked improvement in the regular attendance of the children.

Most of the children leave school when 13 or 14 years of age. The boys find employment during the summer months in the peat bogs and the vegetable gardens. The girls go out to situations, or work at home.

LOWTHER E. BRANDON, M.A.

APPENDIX C.

Stanley, Falkland Islands,
April 14, 1896.

SIR,

I HAVE the honour to forward to you herewith my report for the Blue Book, 1895. I have not been able to give returns of stock for December 31st, 1895, that being an inconvenient date; the figures I have given are to 31st March of this year.

All the sheep stations with the exception of three small islands have been visited by myself, or one of the sub-inspectors, and I have thus the advantage of personal observation upon which to base my report.

Sheep.

The number of sheep as returned in March, 1896, amount to 791,442, consisting of 314,216 males and 477,226 females.

The sheep are, generally speaking, a mixed cross-breed and have the appearance of having originally come from merino stock. Only in the case of a few stud rams is any purity found.

Lambing.

The lambing this year shows an average of 65 per cent., which is good when taking into consideration the severe weather in the spring.

Stud Sheep.

There is one recognized stud flock in the Colony from which several farmers secure their flock rams. During the year 27 Lincoln and five Cheviot rams were imported from England, these were divided amongst farm owners. The farmers would do well to import more pure blood, and establish some better foundation in their flocks.

Wool.

The clip this year is, I understand, about half a pound per sheep better than last year; this must be considered most satisfactory.

Disease.

With the exception of scab there is practically no disease, and this is fast disappearing; since the Scab Ordinance has been introduced farmers have woke up to their own interests and consequently pay stricter attention to gathering and dipping their

sheep. Tetanus and scrofula are met with occasionally. Generally the health of flocks is good.

Dipping.

This is a matter which occupies the serious attention of the inspectors. In many cases the dipping-baths are too short, and the sheep are plunged in and out without being allowed to remain a sufficient time in the mixture. Occasionally, too, the dip is blamed for non-efficiency, whereas better results would be obtained if more attention were paid to proper mixing of the dip, and keeping the sheep in the bath for a sufficient time. I am, however, pleased to say this does not apply to all farmers, especially those on the West Falklands who are free from scab.

Ear Marking.

Hitherto no register of ear marks has been kept, but this matter is now being remedied.

Frozen Mutton.

The number of carcases exported in 1895 was, roughly, 19,000. I regret that for the present year there is no prospect of any being exported. His Excellency the Governor has now under his consideration the question of ascertaining how this industry can be developed, and it is to be hoped that next year will see considerable activity in this direction. From what I have seen of the sheep and the locality, we should be exporting from 50,000 to 70,000 carcases annually. I trust that all future shipments will be subject to Government inspection, and that a system of grading will be introduced. This would give security to consumers without incurring any great expense to the producer.

Shipment of Live Sheep.

I see no reason why this branch of the industry should not be established here. Thousands of sheep are going every month from the River Plate to England, why not from the Falkland Islands? We are right on the track of homeward bound Australian and New Zealand steamers, and I feel certain that these could be induced to call and pick up deck loads of sheep. This Colony is favourably located for the purpose, as it has several fine harbours in most central and convenient situations.

Tallow.

Boiling down is carried on at some six stations, three of which have most complete plants for the purpose. Some 25,000 were boiled down in 1895, but for the ensuing year this number will be largely increased as no frozen meat will be exported.

Horses.

The number of horses in the Colony are 3,250. The breed might, I think, be improved by the importation of stallions of suitable stamp. The demand for horses is not great, but the prices ruling, 15*l.* to 20*l.*, would amply repay any outlay. Horses are particularly healthy in this Colony, and have no natural plagues such as bot-flies, &c.

Cattle.

Number about 6,850 head. I can only say that they are healthy. They are of no particular breed, and have no qualities to recommend them. They are apparently the remnant of the old wild cattle, most of which have been killed off for their hides. The sooner the present cattle are also removed and replaced by sheep, the better for the export trade of the Colony. A few good cattle should be kept for dairy purposes, and for the limited beef consumption of the Islands.

The Colony is eminently adapted for sheep farming and sheep farming only. It is abundantly supplied with natural grasses, no artificial grass having ever been introduced.

Sheep farms here are exempt from many drawbacks which other countries have to contend against, such as droughts, want of facilities for transport, footrot in sheep, and last but not least rabbits. These latter are not regarded here as a pest, being only found on small islands and even there are dying off, possibly, as I understand, from some disease of the liver.

The total exports in connexion with the Stock Department are as follows:—

	£	*s.*
Wool, 4,024,500 lbs. -	100,612	10
Frozen mutton, 19,432 carcases -	6,801	4
Sheep skins, 80,230 skins -	10,028	6
Tallow, 329,900 lbs. -	2,749	0
Hides 1,592 -	796	0
Total -	120,987	0

I have, &c.
JOHN T. MOWAT,
Chief Inspector of Stock.

The Hon. F. Craigie Halkett,
Colonial Secretary.

COLONIAL REPORTS—ANNUAL.

No. 206.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1896.

(For Report for 1895, *see* No. 175.)

Presented to both Houses of Parliament by Command of Her Majesty.
September 1897.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
176	St. Helena	1895
177	Bahamas...	"
178	Hong Kong	"
179	Windward Islands	"
180	Labuan	"
181	Trinidad and Tobago	"
182	Seychelles	"
183	Mauritius and Rodrigues	1894 and 1895
184	British Honduras	1895
185	Lagos	"
186	Basutoland	1895–96
187	Ceylon	1895
188	British Guiana	1895–96
189	Gold Coast	1895
190	Jamaica	1895–96
191	Canada	1895
192	Bermuda	1896
193	Bahamas	"
194	Zululand	"
195	Gambia	"
196	Malta	"
197	British New Guinea	1895–96
198	Turks and Caicos Islands	1896
199	Barbados	"
200	Leeward Islands	1895
201	Trinidad and Tobago	1896
202	Gibraltar	"
203	Fiji (Trade)	"
204	Straits Settlements	1895
205	Do. do.	1896

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	Solomon Islands.

No. 206.

FALKLAND ISLANDS.

(For Report for 1895, *see* No. 175 of this Series.)

ACTING GOVERNOR F. CRAIGIE HALKETT to MR. CHAMBERLAIN.

Government House, Stanley,
25th June, 1897.

SIR,

I HAVE the honour to transmit a report, by the Acting Colonial Secretary, upon the Blue Book for last year.

I have, &c.,

F. CRAIGIE HALKETT,
Administrator.

REPORT ON THE FALKLAND ISLANDS BLUE BOOK FOR 1896.

Taxes, Duties, Fees and other sources of Revenue.

For general purposes there is no direct taxation. The only direct taxes are (1) Upon tenements in the township of Stanley, producing in all £70 per annum, which is appropriated to the liquidation of outlay incurred in and for the up-keep of fencing round the town itself, and (2) A tax of 1 12th of a penny per acre on land outside the town and used for pastoral purposes only.

This tax, which produces £800 per annum, is paid by the sheep farmers only, and is levied with the specific object of providing a staff and the requisite expenditure involved in eradicating the disease of Scab among sheep.

Both taxes are more likely to be lessened than increased; in the first case as the entire outlay becomes liquidated, and

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up-keep alone remains to be provided, in the other, as the disease becomes more under control and eventually altogether disappears.

Duties are derived from—

1. Customs.
2. Auctions.
3. Licenses.
4. Port Harbour and Tonnage.

The first is by far the most important, providing as it does one quarter of the entire annual revenue. There are no export duties, and the import duties are levied only upon liquor and tobacco, the Colony being in other respects a free port.

2. Duties received on goods sold at auction are levied at the rate of 5 per cent. on spirituous liquors and 2½ per cent. on other articles. Receipts under this head are very limited.

3. Licenses are required for carrying on the business of publican, wholesale liquor dealer, billiard or bagatelle table keeper, dealers in tobacco, town and country, auctioneers, sealers, and from owners of dogs. They produce in the aggregate an annual revenue of three to four hundred pounds.

4. Dues comprise pilotage of 6s. per foot inwards and 3s. per foot outwards on draught of all vessels entering and clearing from the Port of Stanley, and tonnage on vessels arriving at a port of entry other than Stanley at the rate of 1s. per ton, but in no case exceeding £10 for one ship.

There are no light or other port dues.

The annual revenue from these sources ranges between one and two hundred pounds.

Fees, &c.

Under this head fall many minor receipts such as :—

Fees and charges payable in the Supreme and Police Courts of the Colony.
Fees for Marriage Licenses.
" " Registering births, &c.
" " Deeds (Registering).
" " Shipping seamen, &c.
" " Moving vessels in port.
" " Government Schools.
Rents of Government Warehouse.
" " Powder Magazine.
Sale of Water.
" " School materials.
Payment for Customs Officers.
" " Pilot boat.
" " Printed matter.
" " Private printing.

The total fees usually amount in the year to between four and five hundred pounds.

Other Sources of Revenue.

These are made up by:—

1. Interest on capital sums received by way of Deposits in the Government Savings Bank, and purchase monies of freehold Crown land sold.

   One sixth of the annual Revenue is derived from this source.

2. Post Office receipts derived from sale of Stamps and post cards; insufficient postage and commissions on Money Orders contribute alone £1,000 annually to General Revenue.

3. Rents of Government property and Crown Lands constitute the most important item in the Revenue of which they form nearly one moiety, or about £5,000 per annum.

4. Miscellaneous receipts are variable and practically unimportant. The chief items come from—

   Sale of ballast stone, &c.

   „ „ old Stores.

Revenue and Expenditure.

The Revenue received during the year amounted to £12,358 1s. 10d., or £338 more than was estimated.

Though satisfactory to that extent, the receipts fell short of those for 1895 by £160 14s. 8d., attributable to a falling off in the Customs duties which have been found to fluctuate in alternate years, according to the arrival within the year of large imports of dutiable articles.

The total Revenue for the past three years stands thus :—

1894 - - - -	£11,958
1895 - - - -	12,518
1896 - - - -	12,358

FALKLAND ISLANDS. 1896.

The following statement shows the receipts under their various heads during the past year :—

	£	s.	d.
Customs - - - - -	2,804	15	11½
Port, &c., Dues - - - -	162	1	6
Licenses, &c. - - - -	439	11	6
Fees - - - - - -	645	12	6
Post Office - - - - -	1,171	10	7½
Rents - - - - - -	4,916	8	5
Miscellaneous - - - -	148	11	8
Interest on Investments - -	2,069	9	8
	£12,358	1	10

The items showing an advance over the previous year are:—

	£	s.	d.
Port and Harbour, Dues of -	24	18	0
Fees - - - - -	153	4	11
Post Office - - - -	103	8	6½
Rents - - - - -	35	18	11
Miscellaneous - - - -	103	14	2
Interest on Investments - -	226	16	2
	£648	0	8½

An amount of £2,037 was received on account of instalments due on purchase of freeholds, and was invested in the Land Account, which now stands at £17,159.

Expenditure.

The total expenditure for the year amounted to £13,569 9s. 4d., or £1,211 7s. 6d. in excess of the receipts; £1,590 16s. 8d. beyond the amount Estimated, and £410 1s. 0d. in excess of 1895.

The various items of expenditure were :—

	£	s.	d.
Pensions - - - - -	282	16	0
Governor - - - - -	1,416	12	1
Colonial Secretary's Department	1,110	16	11
Customs - - - - -	98	19	9
Audit - - - - -	54	16	3½
Port and Marine - - -	246	2	3
Legal - - - - -	830	16	3½
Police - - - - -	484	7	7½
Prisons - - - - -	78	7	9

	£	s.	d.
Medical	576	5	8
Education	588	3	11
Ecclesiastical	517	19	6
Transport	210	16	6
Miscellaneous	382	15	8
Post Office	2,999	10	7
Public Works	2,151	10	7
Interest on Deposits	855	9	8
Drawbacks and Refunds	291	17	3
Survey	391	4	9

The estimated expenditure was exceeded under the following heads :—

	£	s.	d.
Governor	2	12	1
Colonial Secretary's Department	52	16	11
Audit	0	12	3½
Legal	58	12	3½
Police	51	7	7½
Transport	100	16	6
Miscellaneous	12	15	8
Public Works	1,131	10	7
Interest	55	9	8
Drawbacks	241	17	3
Survey	41	4	9
	£1,749	15	7½

A saving over the estimated expenditure was effected under—

	£	s.	d.
Pensions	30	0	8
Customs	26	0	3
Port and Marine	8	17	9
Prisons	44	12	3
Medical	2	2	4
Education	46	16	1
Ecclesiastical	0	0	6
Post Office	0	9	1
	£158	18	11

	£	s.	d
Expended over Estimate	1,749	15	7½
„ below „	158	18	11
Net Expended over Estimate	1,590	16	8

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FALKLAND ISLANDS, 1896.

The expenditure for each of the past three years was :—

	£	s.	d.
1894 - - - - -	12,395	19	7
1895 - - - - -	13,159	8	4
1896 - - - - -	13,569	9	4½

A comparison of the items paid in 1896 with those of the previous year shows a larger expenditure in 1896 for—

	£	s.	d.
Governor - - - - -	22	10	7
Colonial Secretary's Dept. - -	1	9	4
Legal Dept. - - - - -	232	4	3½
Education - - - - -	75	9	3
Ecclesiastical - - - - -	56	7	2
Transport - - - - -	110	9	8
Post Office - - - - -	728	10	2
Interest - - - - - -	47	3	5
Drawbacks - - - - -	69	0	3
	£1,343	4	1½

But a diminished expenditure in the Departments of—

	£	s.	d.
Pensions - - - - -	50	18	4
Customs - - - - -	93	4	7
Audit - - - - -	10	18	8½
Port and Marine - - -	115	7	6
Police - - - - -	83	5	3½
Prisons - - - - -	18	13	1
Medical - - - - -	28	8	9
Miscellaneous - - - -	396	0	0
Public Works - - - -	125	2	0
Survey - - - - -	11	4	10
	£933	3	1

The most noteworthy addition to the annual expenditure was caused by the completion of a Mail contract giving a much

Andronicus publishing

improved Mail service with England, that is every three weeks, instead of, as formerly, once in each calendar month.

This contract involves an annual subsidy of £2,500 as against £1,800 paid under the former conditions.

Further additional items of importance were the salaries of the newly-appointed Stipendiary Magistrate and of two itinerant teachers for the W. Falkland Island provided for in the estimates for the past year, and the outlay required for the erection of Government quarters at Fox Bay for the Magistrate and the Police.

Assets & Liabilities.

This annual return shows the totals as—

	£	s.	d.
Assets - - - - -	56,432	18	6
Liabilities - - - -	40,148	2	7
	£16,284	15	11

Among the assets is included the amount invested in the Land Sales Account, £16,932 16s. 1d. Among the liabilities are included two new items of deposits created by the passing of laws imposing a special tax for the eradication of Scab, and for the Administration of Intestate Estates.

The increased annual subsidy of £700 demanded by an improved Mail Service and larger deposits to the extent of £779 made in the Government Savings Bank contribute to swell the total of the liabilities over what was shown in the previous year.

Investments in the hands of the Crown Agents show a large increase over the last Annual Statement thus :—

	1895.	1896.
Land Sales Account - -	£14,895	£16,932
Savings Bank - - -	33,691	34,222
Surplus - - - -	1,041	1,441

and an account opened in the year for Intestate Estates, £542.

Advances due to the Colony have increased, from £326 in 1895 to £436 in 1896.

g company, inc.

FALKLAND ISLANDS. 1896.

The following is a statement of the transactions of the Bank since its establishment on 1st April, 1888, to 30th September, 1896.

Year.	Accounts opened.	Accounts closed.	Number of Deposits.	Number of Withdrawals.	Amount of Deposits with Interest Accrued.			Amount of Withdrawals.		
					£	s.	d.	£	s.	d.
1st April, 1888, to 30th Sept., 1888.	32		60		4,201	1	5			
1888-1889	67	7	150	37	13,809	8	8	2,871	5	10
1889-1890	56	21	188	93	8,972	7	4	6,300	19	5
1890-1891	70	30	256	182	8,577	2	2	4,760	1	6
1891-1892	62	37	291	103	8,668	5	9	5,355	9	2
1892-1893	60	32	250	112	11,923	1	4	6,790	3	5
1893-1894	68	38	325	123	10,424	17	3	7,817	0	11
1894-1895	64	32	312	148	9,355	6	4	7,620	14	11
1895-1896	58	32	387	123	9,911	6	9½	7,609	1	5½
	537	229	2,219	921	85,842	17	0½	49,124	16	7½

On the 30th September, 1896, when the financial year closed, there were 308 Depositors with a balance of £36,718 0s. 5d., or an average of £119 4s. 0d., standing to the credit of each account.

The Depositors were credited with £855 12s. 2d. in interest during the year, being £47 6s. 10d. in excess of that credited in the previous year, while the balance of deposits over withdrawals was £2,302 5s. 4d.

On the 30th September, 1896, the Investments on account of the Bank stood thus :—

	£	s.	d.
Consols - - - - -	5,038	8	4
Inscribed Stock - - -	28,684	0	8
Uninvested - - - -	2,995	11	5
	£36,718	0	5

Interest upon invested deposits brought in a Revenue of £1,102 13s. 10d., from which interest at the rate of 2½ per cent. per annum, amounting to £855 12s. 2d., was credited or paid to Depositors, and £20 5s. 0d. paid in fees for the annual Audit of the Bank, leaving a profit to Revenue of £226 16s. 8d.

Dr. FALKLAND ISLANDS SAVINGS BANK CAPITAL ACCOUNT, 30th September, 1896. *Cr.*

	£ s. d.	£ s. d.
30th Sept., invested in Securities - -	33,722 9 0	
Balance uninvested - - - - - -	2,995 11 5	
On Deposit 30th Sept., 1895 - - - -		34,415 15 1
Deposits 1st Oct., 1895, to 30th Sept., 1896 - -	9,055 14 7½	
Withdrawals - - -	7,609 1 5½	
		1,446 13 2
Interest 1st. Oct., 1895, to 30th Sept., 1896		855 12 2
	£36,718 0 5	£36,718 0 5

FALKLAND ISLANDS PROFIT AND LOSS ACCOUNT, 30th September, 1896.

	£ s. d.	£ s. d.
Interest on Investments - - - -	1,102 13 10	
Interest paid and credited to Depositors, 1st Oct., 1895, to 30th Sept., 1896 -		855 12 2
Expenses of Audit - - - - - -		20 5 0
		875 17 2
Profit on year's transactions - - -		226 16 8
	£1,102 13 10	£1,102 13 10

Checked, audited, and found correct.
26th November, 1896.

T. A. THOMPSON,
H. SCHLOTTFELDT, } Commissioners.

Public Works.

During the year the Government buildings in the West Falklands were brought to a completion.

Ecclesiastical.

Appended will be found the Annual Report of the Colonial Chaplain.

His Lordship the Bishop of Falkland Islands paid the Colony a visit and held a confirmation.

The number of clergy in charge of the several denominations remains as heretofore, though their personnel have undergone alteration. The number of communicants shows no appreciable change.

Defences.

The local Rifle Volunteer Corps well maintained its strength and efficiency.

Her Majesty's ships belonging to the S.E. Coast of America squadron paid prolonged visits to the Colony in order to complete their annual small and big gun practice, and the Imperial Rifle Range on the outskirts of Stanley was definitely approved and placed in order for use.

The presence of these ships (though after all natural enough, seeing that this is the only English territory on their Station) is very beneficial as well to the material as to the intellectual and social welfare of the colonists, who are, as it were, dug out of themselves and awakened to interests a little beyond the limited purview of the Islands themselves.

Population.

This remains practically stationary. The totals for Stanley and the Camp beyond show as follows, compared with 1895 :—

—	Male.	Female.	Total.	Male.	Female.	Total.
Stanley	356	338	694	356	338	694
Camp	817	442	1,259	842	456	1298
Total	1,173	780	1,953	1,198	794	1,992

Andronicus pub

The birth rate for 1896 was 23 per 1,000 as compared with 24 for the previous year, while the mortality showed 7 as against 5 per 1,000.

The entire population stands at ·306 per square mile of the area of the Colony.

Legislation.

Eleven Ordinances were passed within the year.

Nos. 1, 5, and 8 dealing with Customs have since been repealed.

No. 2 regulated the law as to Conspiracy, and the protection of property.

Nos. 3 and 11 provide for the administration of unrepresented Estates in the Colony.

Nos. 4 and 9 provide for the financial service of the Colony.

No. 6 relates to fencing, &c.

No. 10 amending the Scab Ordinance deals with the protection of Sheep from infection.

No. 7 requires records to be kept of the sale of liquor by farmers and others, and regulates the traffic in public houses.

Industries.

The staple industry—sheep farming, derived distinct benefit from the watchful care of the recently-appointed Inspectors of Stock, whose efforts were such that it was by the close of last year confidently hoped that a few more months would see the absolute eradication of the disease of Scab among the flocks.

Greater care was taken pursuant to the advice of these experts in the selection of Stud rams, a large special importation of which was made from New Zealand; in the separation and classification of Sheep, and generally in measures having for their object the improvement of the breed; and extensive additional fencing was erected throughout the Camp.

The report of the Chief Inspector of Stock is appended.

Imports and Exports.

With a population varying little year by year and in the absence of any fresh departure by way of discovery or the opening up of new industries it is not to be expected that any great variation will take place in exports and imports from one year to another.

blishing company, inc.

FALKLAND ISLANDS. 1896.

The subjoined table shows the relative values for the past three years of imports and exports from and to the various countries having commercial relations with this Colony.

Country.	Imports.			Exports.		
	1894.	1895.	1896.	1894.	1895.	1896.
	£	£	£	£	£	£
United Kingdom ...	54,500	64,248	62,641	130,071	122,988	132,194
Germany...	759	720	441	—	—	—
Uruguay	1 712	3,615	1,705	—	—	—
Chili	4,232	3,243	5,198	1,160	—	—
Argentine	1,067	—	—	570	—	—
	62,270	71,826	69,985	131,801	122,988	132,194

With the exception of 3,360 live sheep value £1,008 exported to the neighbouring mainland of Chili all exports went to the United Kingdom.

Facile princeps among these was wool, which totalled 4,187,628 lbs., valued at £112,139 sterling.

The remaining exports comprised :—

76,209 Sheepskins	value - -	£11,431
636,740 lbs. tallow	„ - -	5,305
836 hides	„ - -	627
727 Seal Skins	„ - -	1,090

and a few minor articles.

The articles imported in part return may be classified as follows :—

From United Kingdom.

	£
Coal - - - - - - -	1,385
Wearing apparel, haberdashery - -	10,082
Furniture, glass, hardware - - -	7,409
Groceries - - - - - -	14,249
Live Stock and fodder - - - -	3,268
Building materials - - - - -	5,236
Liquor - - - - - - -	5,737
Tobacco - - - - - - -	1,563

From Germany.

	£
Groceries	254
Beer	65
Tobacco	50

From Uruguay.

Cereals	1,000
Fruit and Vegetables	500
Oil	100

From Chili.

Cereals	2,000
Fruit and Vegetables	400
Groceries	100
Fencing	750
Live Stock, Horses	1,150

Mails.

Postal communication was carried on throughout the year with places beyond the Colony by Steamships of the German subsidized Kosmos Line, and between Stanley and outlying parts of the Colony by a local subsidized Schooner every three weeks, at a total cost of £2,950.

Compared with the previous year the transactions of the Post Office show :—

	1895.	1896.
Sale of Stamps	£ 938	£1,043
Sale of Money Orders	6,007	5,579

Shipping.

During the year ten vessels put into Port Stanley in distress. On the 14th May an American ship, the "City of Philadelphia," in attempting to enter Port, struck the Billy rock off Cape Pembroke Lighthouse, and went down with all hands before any assistance could be rendered.

FALKLAND ISLANDS. 1896.

The following table shows the number, nationality, and tonnage of Steam and Sailing ships which entered and cleared in 1895 and 1896 :—

Steam Ships.

	1895.				1896.			
	Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Germany ..	14	26,093	14	26,093	20	36,339	20	36,339
England ..	1	1,893	1	1,893	1	3,528	1	3,528
Total ..	15	27,986	15	27,986	21	39,867	21	39,867

Sailing Ships.

	1895.				1896.			
	Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
England ..	17	10 801	12	7,225	8	6,606	6	4,278
Germany ..	1	1,603	1	1,603	—	—	—	—
United States	1	60	1	60	1	1,498	3	4,782
Chili	1	358	1	358	6	1,036	5	589
Norway ..	1	1,382	1	363	—	—	—	—
					Peru 2	3,528	Mexico 1	477
					Italy 1	1,954	Barbds. 1	493
					Fdly. I. 3	1,505	France 1	1,954
					Brazil 1	302	W. Ind. 2	931
Total ..	21	14,204	16	9,709	22	16,429	19	13,504

Education.

The Ordinance, passed in 1895, regulating attendance at school has borne good fruit, as shown by the attendance rolls scheduled in the report of the Inspector of Schools appended hereto.

The instruction imparted in the schools remains elementary, and the absence of higher education is to be regretted.

This will be attained as the Colony progresses, and an improvement takes place in the material condition of its inhabitants.

It is a matter of profound satisfaction that the appointment of two itinerant Schoolmasters for the West Island became an accomplished fact during the year.

Satisfactory reports have been received from these teachers of their reception on all sides, of the alacrity shown by the little folk to attend school, and of the progress made in instruction.

General.

In concluding this Report, I may justly be pardoned for once more dwelling upon the important strategic position occupied by these distant Islands for Imperial Naval purposes, as well for a depôt for coal and provisioning, as for offence and defence.

Public attention in England has long had a tendency to stop short at the River Plate with the result that gradually, but none the less surely, has the English been supplanted by the German merchant along the entire West Coast of S. America.

The prompt, courteous and valuable services rendered by ships of Her Majesty's squadron to vessels in distress should not be allowed to pass without recognition.

But for these much valuable property must inevitably have been lost, while still more valuable lives would have been gravely jeopardized.

CHARLES W. HILL,

Acting Colonial Secretary.

Colonial Secretary's Office,

Falkland Islands,

June, 1897.

FALKLAND ISLANDS. 1896.

STOCK REPORT, 1896.

The year 1896 has shown great improvement in every way as regards stock.

The introduction of the Scab Ordinance and the formation of a Stock Department has had a good effect, for no doubt the fact that every station is visited periodically by an Inspector has caused farmers to improve their way of working in many small details. The Inspectors carry ideas from one farm to another and farmers who are anxious to improve their stations adopt the best ideas.

It has been found necessary to amend the Scab Ordinance by reducing the period during which Scab had not been seen in flocks or dipping taken place from six months to three.

A period of 12 months, dating from the time that a flock is declared Scabby, is allowed by the original Ordinance for cleaning the flock, that is to say, that no traces of scab may be found or any dipping take place during the second six months of the twelve, thereby allowing the farmer six months only for working. At this rate it was found that flocks could not be cleansed and the law was amended, giving nine months for working and the remaining three for watching the flocks to ascertain whether the Scab had been got under.

Four prosecutions have taken place during the year under the Ordinance, three on the East Island and one on the West Falkland, the maximum penalty being inflicted in each case. His Excellency the Governor has, however, reduced the fine to one-fourth on condition that the flocks are clean within a further six months.

Out of 20 stations put in quarantine 13 have been declared clean, and it is most likely that during the present month two more will receive clean certificates.

Owing to the period of quarantine on so many stations expiring at the same time, it was found advisable to appoint extra assistant inspectors for short periods.

Last year was marked by a large importation of stud rams direct from New Zealand, principally for the East Falkland, the total number imported being 241, namely :—

127 Romney Marsh.
112 Lincolns.
2 English Leicesters.

It is pleasing to note that the importers are thoroughly satisfied with these rams, and provided that care is taken in the selection of ewes, the importation should result in course of time in great improvement of the flocks.

Two farmers on two of the small Islands were sufficiently enterprising to import also from New Zealand a small quantity of Cocksfoot grass seed. It is to be hoped that the experiment will prove successful as the dry portions of the Camp here could certainly be improved. Other stock imported was about 110 horses from Patagonia, one Devon bull, and three Berkshire pigs from England.

During 1896 there was not any export of frozen carcasses. The Inspector of Stock, Mr. Mowat, paid a visit to London last winter to endeavour to find out whether satisfactory arrangements could be made for selling Falkland Island frozen meat in London. I do not know whether it is likely that there will be a large export in 1897; probably not unless there is a considerable rise in prices in London. At present prices for frozen mutton, it is a question whether boiling down does not pay as well, if not better. To make frozen mutton pay, it is necessary to breed the sheep up to a certain standard. It is not sufficient that the sheep should be large and heavy; quality is the first consideration, and some time must elapse before Falkland Island sheep reach the standard.

The average of lambing this season is according to all accounts better than last year; the clip is heavier, although cold and bad weather at the beginning of the season prevented the rise in the wool.

I am glad to say there has been a great improvement in the gathering of sheep, the men are becoming more careful and if the improvement is continued, the work of eradicating scab will soon be completed.

On the West Falkland during the last season there has been a great improvement in the method of shearing, rough shearing spoils the fleeces and consequently the price and value of the wool.

The sheep farmers have rendered every assistance to the Inspectors and without their help it would not have been possible to carry on the work and show such good results as I am able to report.

JAMES ROBERTSON,
Acting Chief Inspector of Stock.

The Honble. the Colonial Secretary,
Falkland Islands.

FALKLAND ISLANDS. 1896.

EDUCATION REPORT FOR 1896.

In the Falkland Islands there are the following Schools :—

In Stanley (all of which are supported by or receive a grant-aid from the Government).

1. The Government Senior or Mixed School.
2. „ „ Infant School.
3. „ Baptist School (mixed).
4. „ Roman Catholic School (mixed).

In Darwin, the Falkland Islands Company's School (mixed).

In the camps or country districts there are the travelling Schoolmasters, one in the Falkland Islands Company's camps, viz., the southern half of this Island, who has been at work for some years, and two on the West Falklands Islands, appointed and paid by Government. They commenced their work in December, 1896.

During the year, by the order of His Excellency the Governor, a meeting of the Teachers of the three Schools in Stanley was held, at which a synopsis of work for the Schools receiving Government aid was drawn up. All these Schools are to be examined simultaneously in this synopsis in September 1897, printed papers of questions being sent from the Educational Department in England.

This arrangement will no doubt cause a healthy rivalry.

The travelling Schoolmasters on East and West have, as far as I have had the opportunity of inspecting their work, brought the children on well, more especially when the short time they can spend in each house or settlement is taken into consideration.

In the Government Schools the Penny Savings Bank carried on its operations as usual.

	£	s.	d.
Credit.—Balance, December 31st, 1895 - -	499	18	2
Deposits during the year - - - -	107	5	6½
Interest, &c., &c. - - - - -	10	10	7½
	£617	14	4

	£	s.	d.
Debit.—Amount paid Depositors - - -	160	3	9
Balance due Depositors, December 31st, 1896	457	10	7
	£617	14	4

Number of accounts closed during the year -	28
Number of new accounts opened during the year	18
Number of Depositors, December 31st, 1896 -	91

The Funds are deposited in the Government Savings Bank.

The attendance, &c., at the Government Schools were as follows :—

The Senior or Mixed Government School—

Times the School has been open - -	457
Total attendance made by Boys - -	13,626
„ „ „ „ Girls - -	9,263
Average attendance of Boys - - -	54·5
„ „ „ Girls - - -	47·8
Number on the Roll, Boys - - -	32
„ „ „ „ Girls - - -	28

The Infant School—

Times the School has been opened - -	458
Total attendance made by Boys - -	11,323
„ „ „ „ Girls - -	12,666
Average attendance of Boys - - -	24·7
„ „ „ Girls - - -	27·6
Number of Boys on the Roll - - -	36
„ „ Girls „ „ „ - - -	33

Totals for Government Schools—

Average attendance of Boys - - -	54·5
„ „ „ Girls - - -	47.4

FALKLAND ISLANDS. 1896.

The steady, persevering application in Stanley of the Compulsory Attendance Ordinance has produced a most salutary effect.

LOWTHER E. BRANDON,
Inspector of Schools.

MEDICAL REPORT FOR 1896.

Stanley,
May 25th, 1897.

SIR,

I have the honour to furnish a report on the health of the Settlement for the year 1896.

It is my pleasant duty to state that the Colony has enjoyed immunity from all diseases whether of an epidemic or endemic nature—a fact which is in itself remarkable considering the downpour of rain we have had for so many months past and the sodden nature of the Camp. The above will bear testimony to what I have stated on former occasions as to the health-giving qualities peculiar to these Islands, and possibly have the effect of inducing health seekers to visit these Islands on the fringe of the Atlantic to recuperate their shattered energies.

I have, &c.,

S. HAMILTON,
Colonial Surgeon.

The Hon. Acting Colonial Secretary.

ECCLESIASTICAL REPORT.

Report of Church work for the year 1896.

The fifteen inhabited Islands were all visited, at least once, most of them twice, during the year, by either the Colonial Chaplain or the Assistant Chaplain. In these visitations all houses—Masters', Managers', Shepherds', and Cook houses

(home of the navvies)—are visited, all children are examined in secular knowledge, in addition to the ordinary work of a Church Clergyman.

The Church Services and Sunday School were carried on regularly in Christ Church, Stanley.

Average Congregations: Morning 160¼, Evening 117½. Number of Baptisms 68, Marriages 10, Funerals 14.

LOWTHER E. BRANDON,
Colonial Chaplain.

COLONIAL REPORTS—ANNUAL.

No. 235.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1897.

(For Report for 1896, *see* No. 206.)

Presented to both Houses of Parliament by Command of Her Majesty.
August 1898.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
207	British Honduras	1896
208	Sierra Leone	"
209	Grenada	"
210	Hong Kong	"
211	St. Lucia...	"
212	St. Vincent	"
213	St. Helena	"
214	Seychelles	"
215	Mauritius	"
216	Cocos-Keeling and Christmas Islands ...	1897
217	Fiji	1896
218	Ceylon	"
219	Lagos	"
220	Gold Coast	"
221	Labuan	"
222	British Guiana	1896–97
223	Rodrigues	1896
224	Basutoland	1896–97
225	Jamaica	"
226	Bechuanaland Protectorate	"
227	Leeward Islands	1896
228	Bermuda	1897
229	Gambia	"
230	Turks and Caicos Islands	"
231	Barbados...	"
232	Lagos	"
233	St. Vincent	"
234	Sierra Leone	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.

No. 235.

FALKLAND ISLANDS.

(For Report for 1896, *see* No. 206.)

Governor GREY WILSON to MR. CHAMBERLAIN.

Government House,
Stanley,
16th May 1898.

SIR,

I have the honour to transmit the Falkland Islands Blue Book for 1897, together with a report by the Colonial Secretary, Mr. Craigie Halkett.

I have, &c.,

W. GREY WILSON,
Governor.

REPORT ON BLUE BOOK, 1897.

FINANCIAL.

The financial condition of the Colony is eminently sound.

There is no Public Debt and the Revenue during the past year exceeded that of the previous year by some £612.

62—750—6/98 Wt 21620 D & S—5 (B)

FALKLAND ISLANDS, 1897.

REVENUE.

The sources of Revenue remain unaltered. The total Revenue received during the year was £12,970, collected from the following sources in order of importance :—

	£
1. Rents of Crown Land	4,936
2. Customs and other duties	3,639
3. Interest on Investments	2,147
4. Post Office Revenue	856
5. Licenses and Internal Revenue	649
6. Fees	522
7. Port, Harbour, and Tonnage dues	138
8. Miscellaneous...	83

The only import duties levied are upon liquor and tobacco, everything else being free, and there are no export duties.

None of the harbour dues for light, anchorage &c. which obtain elsewhere are in force here beyond a trifling rate for pilotage at Stanley of 6*s*. and 3*s*. per foot of draught, in and outwards, and in ports of entry other than Stanley a tonnage due of 1*s*. per ton, but in no case exceeding £10 for one ship.

Direct taxes for purposes of general revenue do not exist.

A quasi-municipal rate of 6*d*. per £1 of annual rent is payable by householders in Stanley for the behoof of the town itself, and the specific tax of $\frac{1}{12}$ of a penny per acre on land outside of Stanley continues to be payable for the special object of eradicating the disease of scab in sheep.

The Revenue during the past four years stands as follows in relation to what was estimated :—

Year.	Estimated.	Received.	Excess.
	£	£	£
1894	11,900	11,958	1,058
1895	11,517	12,518	1,001
1896	12,020	12,358	338
1897	12,420	12,970	550

The excess of Revenue, £612, over the preceding year is accounted for by larger receipts under the head of Customs.

A comparative detailed statement of receipts with those of the previous year shows as follows :—

——	1896.	1897.
	£	£
Customs	2,805	3,639
Port &c. Dues	162	138
Licenses, &c.	440	649
Fees	646	522
Post Office	1,171	856
Rents	4,916	4,936
Miscellaneous	149	83
Interest on Investments ...	2,069	2,147
Total	£12,358	£12,970

Advances to the following extent over the amounts received during 1896 occurred in the items of :—

	£
Customs	834
Licenses	209
Rents	20
Interest	78
Total	£1,141

On the other hand, a falling off is apparent in :—

	£
Port &c. dues	24
Fees	124
Post office	315
Miscellaneous	66
	£529

Expenditure.

No exceptional variation has occurred in the causes for expenditure, the principal of which are the Government Staff, Public Works, and the Post Office.

As compared with the previous year, these items stand thus :—

——	1896.	1897.
	£	£
Government Staff ...	5,846	5,889
Public Works	2,151	2,266
Post Office	3,000	2,873

FALKLAND ISLANDS. 1897.

The total Expenditure during the year was £13,636, or £666 in excess of the Revenue received, and £1,646 over the estimate, as compared with £1,211 expended in the previous year in excess of receipts, and £1,591 in excess of the estimate for that year.

The various items of Expenditure during the past four years are shown in the subjoined table :—

——	1894.	1895.	1896.	1897.
	£	£	£	£
Pensions	313	334	283	223
Governor	1,384	1,394	1,416	1,311
Colonial Secretary	1,035	1,109	1,111	1,145
Customs	183	192	99	209
Audit	56	66	55	43
Port and Marine	175	361	246	291
Legal	492	598	831	527
Police	493	568	484	511
Prisons	166	97	78	244
Medical	583	605	576	630
Education	465	513	588	677
Ecclesiastical	460	462	518	518
Transport	566	100	211	184
Miscellaneous	596	779	383	399
Post Office	2,249	2,271	3,000	2,873
Public Works	2,397	2,277	2,152	2,266
Interest on Savings Bank Deposits.	758	808	855	945
Survey	—	402	391	349
Drawbacks	24	223	292	291
Total ... £	12,395	13,159	13,569	13,636

The items going to make up the expenditure of £1,646 in excess of the estimated requirements for the year are shown below.

Excesses :—

	£
Colonial Secretary	87
Customs	84
Port and marine	46
Police...	78
Prisons	120
Medical	2
Education	20
Transport	64
Miscellaneous	25
Public works	1,296
Interest	100
Drawbacks	241
	£2,163

Less than estimated :—

	£
Governor	103
Audit	7
Legal	280
Post Office	127
	£517

	£
Deducting saving	517
from excesses	2,163
gives the nett excess	£1,646

Assets and Liabilities.

	£	s.	d.
On the 31st December, 1897, the Assets were	60,946	14	2
And Liabilities	44,203	13	6
Excess of Assets	£16,743	0	8

The Assets comprise—

	£	s.	d.
Cash	3,431	8	11
Investments	54,994	14	2
Bills in transit	2,015	0	4
Advances due	505	10	9
	£60,946	14	2

Invested funds are of four classes :—

	£	s.	d.
Land Sales	18,504	0	4
Savings Bank	33,041	17	7
Intestate Estates	555	4	9
Surplus	2,893	11	6
	£54,994	14	2

Substantial increase in Land Sales and Surplus is shown by a comparison with previous years, thus :—

Investments.

—	1895.	1896.	1897.
	£	£	£
Land Sales	14,895	16,932	18,504
Savings Bank	33,691	34,222	33,041
Intestate Estates	—	—	555
Surplus...	1,041	1,441	2,893

A new fund for investment of unclaimed Intestate Estates was opened during the year.

Satisfactory progress is maintained in the growth of excess of Assets over Liabilities from year to year, thus :—

—	1894.	1895.	1896.	1897.
	£	£	£	£
Excess Assets	14,020	15,287	15,889	16,743

Liabilities are of the same class as before, and are made up of—

	£	s.	d.
Deposits	41,170	9	5
Post Office money orders, unpaid...	8	0	2
Subsidy	1,350	0	0
Bills on Colony	900	0	0
Bills on London	740	7	7
Pensions	34	16	4
	£44,203	13	6

By far the most considerable item in Liabilities is the amount deposited in the Government Savings Bank, which has increased year by year, thus :—

—	1894.	1895.	1896.	1897.
Savings Bank Deposits ...	£ 33,045	£ 35,661	£ 36,363	£ 39,426

Liabilities for pensions have decreased from £63 in 1894 to £35 in 1897, but those for mail subsidy have increased with an improved service from £900 in 1894 to £1,350 in 1897.

The statement of Assets and Liabilities will be found in the Appendix A.

MILITARY.

There are no regular forces stationed in the Colony, and no defences of a permanent nature, but a Volunteer Rifle Corps has been formed for purposes of local defence.

The present nominal strength of the Rifle Volunteer Corps, which is armed with Martini-Henry B.L.R. rifles, is 83, made up of—

Officers	6
Non-commissioned Officers	4
Privates	73

of which number 44 were returned as efficient.

PUBLIC WORKS.

These, although confined wholly to the town of Stanley, necessitate an annual expenditure of considerable magnitude in relation to the amount of revenue, of which they absorb about a sixth.

Repairs to public buildings and to streets and roads call for continuous outlay, which could only be minimized by a very large capital outlay, in thoroughly building up the streets, first digging

away the peat sub-soil, and in the erection of stone or brick offices and quarters in place of the wooden erections that prevail.

One public work of importance was undertaken and completed in the year, at a cost of £415,—the erection of a sea wall some 300 yards in length, required for the protection and widening of the main road running west past Government House.

The wants of those outside Stanley require, and only await sufficient funds to receive, attention in various directions to facilitate communication.

Without a wholly prohibitive capital outlay, it is useless even to think of making roads through the "camp."

But the building of one or two necessary bridges, and the formation of guide-posts or cairns to mark the tracks between homesteads, are feasible, and as the Colony progresses will become accomplished facts.

Various circumstances militate against work being undertaken which in a country differently circumstanced would appear simple and ordinary.

First and foremost is the geological formation of the group. Again, the supply of labour is extremely limited as well as unskilled, while rates of remuneration rule high, a state of affairs that is likely to obtain until the Colony becomes opened up and its population added to.

LEGISLATION.

Ten Ordinances were passed during the year, six of which were added to the Statute Book, the remaining four having been remitted back for amendment.

Ordinances Nos. 1 and 9 related to the prevention of the disease of Scab in Sheep.

Ordinances Nos. 2 and 10 provided for the financial service of the Colony.

Ordinance No. 3 consolidated the Customs legislation.

Ordinance No. 4 provided for a Board of Health on the West Falkland Island, thereby detaching that Island from the East Falkland for sanitary purposes.

Ordinances Nos. 5 and 7 related to provision for protection of Stanley and its environs against fire.

Ordinances Nos. 6 and 8 aimed at improving the existing legislation regarding dividing fences and the prevention of trespass by animals.

EDUCATION.

Newspapers, &c.

In the appointment of two itinerant Schoolmasters elementary education has been finally brought within reach of the most

remote shepherd's hut, so that no further excuse exists for the lamentable condition of illiteracy in which whole families had unavoidably to be raised.

During the year a Standard Examination of the Schools in Stanley of each denomination was held for the first time, with results which amply justified its institution.

The hesitation inseparable from a new departure and a first attempt will wear off by another year, when the results may be expected to be even more hopeful.

The instruction imparted in the schools continues to be confined to the most elementary subjects.

Economic causes contribute to block the way, but these will be so modified in time as to admit of some young folks being detached from domestic duties after the compulsory school age has passed, and so being enabled to attend higher classes.

Technical instruction in trades is a matter not lost sight of, and will be instituted at the earliest practicable moment.

Watchful insistence on the provisions of the School compulsory legislation ensures the largest possible attendance in the three schools in Stanley.

Beyond Stanley, at Darwin, and in the case of the itinerant masters of the West Falkland, the conditions are so different as to render a similar insistence impossible, in spite of which, however, the attendance rolls cannot be regarded as otherwise than satisfactory.

Although the Government School Inspector happens to be the Colonial Chaplain and Dean of Christ Church Cathedral, the Government schools, senior and infant, are entirely undenominational.

The Roman Catholic and the Baptist schools are conducted by their own pastors, but the instruction imparted by the masters at Darwin and in the West Falklands is undenominational.

All are mixed schools, neither numbers nor facilities admitting of the complete separation of boys from girls.

The teachers of the Government schools receive fixed salaries, while the Roman Catholic and Baptist Missions receive State aid at the rate of 24*s*. per pupil per annum. The Corporation of the Falkland Islands Company pay their own master on their camp at Darwin.

IMPORTS AND EXPORTS.

The bulk of trade continues with Great Britain, nor do the returns of Imports and Exports disclose any important change in its volume or quality.

Country.	Imports.				Exports.			
	1894.	1895.	1896.	1897.	1894.	1895.	1896.	1897.
United Kingdom	£ 54,500	£ 64,248	£ 62,641	£ 54,225	£. 130,071	£. 122,988	£. 132,194	£. 123,186
Germany...	759	720	441	642	—	—	—	—
Uruguay	1,712	3,615	1,705	2,794	—	—	—	—
Chile	4,232	3,243	5,198	5,375	1,160	—	—	1,937
Argentine	1,067	—	—	250	570	—	—	—
TOTAL	62,270	71,826	69,985	63,286	131,801	122,988	132,194	125,123

The Colony's exports are nearly double the value of its imports.

A review of the items which go to make up the totals of Imports and Exports is not without interest, and discloses the narrow limits within which both continue to be confined.

Taking first the most important, the *Exports*, we find far at the head

			£
Wool ...	4,301,500 lbs.	value	107,537
Skins, sheep	72,700 „	„	9,087
Skins, seal fur	1,609 „	„	2,413
Hides ...	1,738 „	„	1,350
Tallow ...	213,880 „	„	1,782
Other articles		value	2,954.

In five years, viz. since 1892, the quantity of wool exported has increased one fourth, the number of seal skins has nearly trebled, and of hides quadrupled.

On the other hand, the export of frozen mutton has ceased, and of live stock and tallow has fallen to quite a nominal figure.

Market fluctuations from time to time largely influence the money values of exports, which, though greater in quantity, often appear as of less total value. For example, wool ruled low during the year, and tallow, owing to Russian competition, scarce commanded a remunerative price.

Imports.

The quantity and value of these compared with the imports in the previous year from the various countries are as follows :—

—	1896.	1897.
	£	£
From United Kingdom :—		
Coal	1,385	3,242
Wearing apparel, clothing material, including boots and haberdashery.	11,865	12,832
Hardware, machinery, &c.	19,574	7,410
Oilmen's stores, groceries, and provisions	14,249	12,140
Live stock and fodder	2,668	640
Building material, including timber ...	5,236	2,994
Liquor, beer, spirits of all kinds ...	5,737	6,606
Tobacco and cigars	1,329	2,657
Specie	2,000	40
Ship stores, cordage, &c.	6,169	4,503
Sheep dip	2,429	1,161
	62,641	54,225
From Germany :—		
Groceries	254	628
Liquor, beer, spirits, wine	86	14
Tobacco	50	—
Clothing	20	—
Hardware	10	—
Vegetables	21	—
	441	642
From Uruguay :—		
Cereals	980	1,833
Fruit and vegetables	498	702
Oil	96	175
Fodder	105	84
Groceries...	7	—
Hardware	9	—
Clothing	10	—
	1,705	2,794
From Chile :—		
Cereals	2,090	2,656
Fruit and vegetables	406	158
Groceries...	296	—
Fencing	785	—
Live stock and horses	1,150	145
Building material	200	2,260
Sheep dip	200	—
Ship stores	60	—
Fodder	185	150
Liquor and wines	26	6
	5,198	5,375
From Argentina :—		
Horses	—	250

No important stress is to be laid upon the total imports for 1897 appearing as £6,000 less than in 1896.

This difference represents merely the unforeseen delay of one or other of the sailing vessels which bring cargo once or twice in the year from England.

Upon the completion of the new fences being put up in every part of the Colony, a shrinkage must become evident in the value of the Imports, which will then be confined mainly to luxuries and necessaries for personal and domestic consumption.

SHIPPING.

Under the conditions that obtain in the Colony, little variation occurs in the volume of shipping year by year, which rises or falls according as the weather compels vessels to put in for repairs.

The number of vessels, steam and sailing, which entered and cleared during the past three years is shown by the subjoined table :—

Steam Ships.

Country.	1895.				1896.				1897.			
	Entered.		Cleared.		Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Germany	14	26,093	14	26,093	20	36,339	20	36,339	19	41,543	19	41,543
England	1	1,893	1	1,893	1	3,528	1	3,528	—	—	—	—
Chile	—	—	—	—	—	—	—	—	6	1,204	6	1,204
Total ...	15	27,986	15	27,986	21	39,867	21	39,867	25	42,747	25	42,747

Sailing Ships.

Country.	1895.				1896.				1897.			
	Entered.		Cleared.		Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
England	17	10,801	12	7,325	8	6,606	6	4,278	10	6,019	10	6,019
Germany	1	1,603	1	1,603	3	5,482	2	970	3	2,848	3	2,848
United States ...	1	60	1	60	1	1,498	3	4,782	—	—	—	—
Chile	1	358	1	358	6	1,036	5	589	2	471	2	471
Norway	1	1,382	1	363	4	1,807	3	2,885	—	—	—	—
Italy	—	—	—	—	—	—	—	—	1	1,711	1	1,711
Denmark	—	—	—	—	—	—	—	—	1	348	—	—
Total ...	21	14,204	16	9,709	22	16,429	19	13,504	17	11,397	16	11,049

The most noteworthy feature in these returns is the preponderance of foreign vessels, which is explained by the Mail contract being in the hands of a German line, the Kosmos Company of Hamburg.

Fewer ships put in for repairs than for some years back, this being the natural result of less boisterous and stormy weather prevailing round the Horn in April and October.

INDUSTRIES.

As may be gathered from a glance at the exports, but one industry may be said to obtain—that of sheep farming.

Allowing for comparative poverty of the natural grass, the islands form quite an ideal sheep farm.

There are no troublesome forests to clear away, no deep and dangerous rivers to be crossed, no dingoes to harass and destroy the stock, no prolonged droughts, and, above all, no rabbits to annoy the farmer and involve his yearly output in a disagreeable uncertainty.

Bad and good seasons occur here as elsewhere, but the difference is not marked in the same degree as in other countries less adapted by nature for this particular industry.

Annual earnings are mainly influenced by the fluctuations of the wool market in London, and farmers have small cause to trouble seriously about climate, weather, or aught else.

More than one early traveller in this region, years before the experiment of sheep farming was brought to its present successful issue, gave his opinion of the possibilities of the soil of the islands for agriculture, and their capability to sustain a large population.

With this expression of opinion the matter seems to have rested, and agriculture for purposes of a livelihood has not been taken up, possibly because of the uninviting appearance of the "camp," or of the high winds that must be fatal to all but tubers of various kinds, and the scarcity and expense of labour. Such labour as happened to be present found lighter and more congenial and profitable work on the sheep farms that were started in quick succession.

The flourishing condition of the kitchen gardens in every settlement and in the town of Stanley, amply evidences the capability of the soil to reward individual labour. But between this and a paying industry there is a large difference.

The Colony, despite its solvent and prosperous condition, affords no inducement to capitalists desirous of opening up new industries nor to intending immigrants.

There is already in the Colony more than sufficient labour to meet the demand, which is stationary, and is a diminishing rather than an expanding quantity.

No land remains at the disposal of the Crown, and intending settlers must make terms with private holders.

In the quality of imports there is room for improvement, and profitable employment for small capital in the importation of fruit and fresh farm produce.

In a country where animal food is so plentiful that mutton commands but 2*d.* and beef 5*d.* per lb., the consumption of canned goods is incredible.

No fruit of any kind is cultivated, and such small and uncertain parcels as are brought by the mail steamers from Chili and Uruguay are eagerly sought after at high figures.

The high price of labour, and the difficulty of communication over the vast area of the Colony, act as effective deterrents to the establishment of home farms for the production of farm produce.

Potatoes of fair quality are grown at every settlement, as well as turnips, cabbages, beetroot, rhubarb, &c. The soil and climate of West Falkland Island lend themselves to successful agriculture far better than those of East Falkland.

Criminal Statistics.

As might be expected in a country the staple product and industry of which is pastoral, crime in the severer acceptation of the word is unknown.

The following table gives the proportion of offences reported and persons convicted per cent. of the population during the past four years :—

—	Reported.	Convicted.
	Per cent.	Per cent.
1894	2·44	1·38
1895	5·47	3·53
1896	2·66	1·30
1897	2·48	2·24

The total number of convictions for all offences in the four years was 166, namely :—

Against the person	...	...	...	40
„ property ...	...	...	...	34
Other offences	...	...	...	92

With the exception of 7, that is,

In 1894, 3 against property,
In 1895, 2 against the person,
In 1897, 2 against property,

the whole were offences in the jurisdiction of the inferior courts.

It will be seen that the preponderating number came under the head of Other Offences, namely, against Merchant Shipping Act, and local Ordinances against drunkenness, for enforcing attendance at school, municipal regulations, &c.

The normal population of the Colony is law-abiding in the fullest degree, offences requiring penal punishment being confined mainly to the floating population of passing ships.

For months together the common gaol, which can only accommodate eleven prisoners at most, is untenanted, and the local gaoler, who is also Government printer, finds occupation in the duties of the latter office.

More frequent visits by H.M. ships since the establishment of a naval range have resulted in the prison being utilized somewhat more than before.

But the prisoners thus admitted are invariably under sentence for breaches of discipline only, and are not included in the foregoing returns.

Hospitals, Lunatic Asylums, Charitable and Literary Institutions.

The Colony does not possess either hospital or lunatic asylum, the need for either one or other not having yet presented itself.

While cases of petty illness are inevitable, grave outbreaks of disease are happily extremely rare. Occasionally surgical cases arise through accident, and these are treated in the houses of private individuals.

Outbreaks of lunacy are so rare that the legislation providing for removal to England of any person found to be insane has proved sufficient to meet the requirements of the Colony.

Charitable Institutions.

The conditions of life have not so far called into existence any institutions for permanent relief.

Indigence is comparatively unknown, and such isolated cases as have occurred have been dealt with by private subscription.

Literary Institutions.

The town of Stanley possesses a lending library, on a modest scale, and without any proper location.

It is under the direction of the Colonial Chaplain, by whose kindness the books are accommodated in the vestry attached to Christ Church Cathedral.

GOVERNMENT SAVINGS BANK.

The transactions of the Government Savings Bank show an improved and satisfactory condition of things.

On the 30th of September 1897, the last day of the financial bank year, a sum of £38,270 was shown on the books to the credit of 327 depositors; as against a sum on the same date in the previous year of £36,718, the property of 308 depositors.

The total transactions since the opening of the bank on the 1st of April 1888 show: Total withdrawn, £57,204; as against deposited, £95,505.

Interest paid by Government to the credit of depositors in 1897 at the rate of 2½ per cent. per annum amounted to £833, as against £1,199 received as interest on bank funds invested in consols, Colonial Government Bonds, and other securities.

Expenses of management came to £42 10*s.*, leaving a net profit on the year's working of £273.

The balance to credit of depositors gives the very satisfactory average of £19 2*s.* 8*d.* per head of the population, as compared with £18 7*s.* 2*d.* on the 30th September 1896.

These figures, as the Treasurer, who is manager, rightly observes, after but ten years' establishment, compare most favourably with those of other colonies.

The results attained have amply justified the wisdom of forming an establishment offering complete security with a fair rate of interest in a country where no opportunity offers for local investment.

The Bank presents a direct encouragement to thrift, the extent of which may be principally gauged by the class of depositors, who are found, not among the large land owners and sheep farmers, but among the shepherds and employés and the labouring class generally.

Friendly Societies.

So far back as 1859 a quasi-Friendly Society, having for its object provision for sickness and the defraying of burial expenses, was formed under the title of the Stanley Benefit Club.

It is a private establishment, not under any Government control or supervision.

The membership is considerable, and the allowances on a liberal scale, having regard to the low rate of subscription, 1*s.* 6*d.* a month.

The age of admission is limited to 40 years.

Children's Penny Savings Bank.

A private organization in Stanley called the Children's Penny Savings Bank is well patronised by school children and others. It is under the direct control of the Dean and Inspector of Schools, and banks its capital in the Government Savings Bank.

It is not formed under any law, nor subject to any Government supervision.

General.

The usual Governor's term of six years having expired, Sir R. Goldsworthy left the Colony in April, handing over the Administration to the Senior Executive Official, the Colonial Secretary, who administered the Government until the arrival in October of the new Governor, Mr. W. Grey-Wilson, C.M.G.

F. Craigie-Halkett,
Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands,
May 16th, 1898.

APPENDIX A.

STATEMENT of ASSETS and LIABILITIES on 31st DECEMBER, 1897.

ASSETS.	AMOUNT.	TOTAL.	LIABILITIES.	AMOUNT.	TOTAL.
	£ s. d.	£ s. d.		£ s. d.	£ s. d.
CASH IN—			BILLS DRAWN by Crown Agents ...	900 0 0	
Colonial Chest	936 17 11		" " on " " ...	740 7 7	
Crown Agents...	2,494 11 0	3,431 8 11			1,640 7 7
INVESTMENTS—			DEPOSITS—		
Land Sales Fund	18,504 0 4		Savings Bank	39,426 2 3	
Savings Bank	33,041 17 7		Intestates...	947 11 0	
Surplus	2,893 11 6		Alien	53 0 0	
Intestates	555 4 9		Sealing &c.	47 2 0	
		54,994 14 2	Scab Ordinance	696 14 2	
BILLS IN TRANSIT—					41,170 9 5
Savings Bank, 1,865 of 10-11-97 ...	1,000 0 0		POST OFFICE—		
" " 1,878 of 30-12-97 ...	1,000 0 0		Kosmos Company, Mail Subsidy, June to December.	1,350 0 0	
Rem., Mly., Pensions of 24 2-12-97...	15 0 4		Unpaid Money Orders	8 0 2	
		2,015 0 4			1,358 0 2
ADVANCES—			PENSIONS—		
Coal and Oil	304 2 10		Byng, December quarter ...	9 8 10	
Personal	36 12 3		McAlister " " ...	1 0 0	
Board of Trade	164 15 8		Watts " " ...	24 7 6	
		505 10 9			34 16 4
			EXCESS OF ASSETS.		16,743 0 8
		60,946 14 2			60,946 14 2

April, 1898.

CHARLES W. HILL, *Colonial Treasurer.*

APPENDIX B.

Treasury,
9th December, 1897.

SIR,

I HAVE the honour to transmit herewith the Savings Bank Capital Account for the Year ended 30th September, 1897.

The transactions of the Bank from the date of its formation have been as follows :—

YEAR.	Accounts opened.	Accounts closed.	Number of Deposits.	Number of Withdrawals.	Amounts of Deposits with accrued interest.			Withdrawals.		
					£	s.	d.	£	s.	d.
1st April to 30th Sept., 1888.	32	—	60	—	4,201	1	5			
1888—1889	67	7	150	37	13,809	8	8	2,871	5	10
1889—1890	56	21	188	93	8,972	7	4	6,300	19	5
1890—1891	70	30	256	182	8,577	2	2	4,760	1	6
1891—1892	62	37	291	103	8,668	5	9	5,355	9	2
1892—1893	60	32	250	112	11,923	1	4	6,790	3	5
1893—1894	68	38	325	123	10,424	17	3	7,817	0	11
1894—1895	64	32	312	148	9,355	6	4	7,620	14	11
1895—1896	59	31	387	123	9,911	6	9½	7,609	1	5½
1896—1897	65	48	356	150	9,662	11	1	8,110	0	2
	603	276	2,575	1,071	95,505	8	1½	57,234	16	9½

The balance in hand of £38,270 11*s.* 4*d.* is distributed amongst 327 depositors, giving an average of £117 0*s.* 8*d.* standing to the credit of each account, or £19 2*s.* 8*d.* per head of the population. These figures, after a period of ten years' establishment, compare favourably with other Colonies, where, from the late Sir R. Giffen's 60 years statistics, South Australia heads the list with £7 10*s.* 0*d.* per head of the population.

With the absence of other means of investing locally, unmixed good therefore has undoubtedly resulted from the introduction of the Savings Bank; the majority of the shepherds and labouring classes, feeling that they can enjoy the security of the Bank, and that years of thrift will not be lost to them, have, as was anticipated, taken advantage in this way of making prudent provision for the future.

Far from throwing any charge on the public, the Savings Bank yields a profit, which is sufficient to secure the Government against any risk of loss.

The income earned during the past year was £1,199 8*s.* 10*d.*, the expenses incurred were £925 13*s.* 3*d.*, leaving a profit of £273 15*s.* 7*d.*

I have, &c.,

CHARLES W. HILL,
Colonial Treasurer.

FALKLAND ISLANDS SAVINGS BANK. CAPITAL ACCOUNT.

30th September, 1897.

DR.	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.	CR.
Investment in Securities	33,591	5	9				On deposits 30 Sept., 1896				36,718	0	5	
Balance uninvested	4,679	5	7				Deposits 1st Oct., 1896, to 30th Sept., 1897.	8,779	7	9½				
							Withdrawals	8,110	0	2				
											669	7	7½	
							Interest 1st Oct., 1896, to 30th Sept., 1897.				883	3	3½	
				38,270	11	4								38,270	11	4
				£38,270	11	4								£38,270	11	4

FALKLAND ISLANDS SAVINGS BANK. PROFIT AND LOSS ACCOUNT.

30th September, 1897.

	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
Interest on Investments	1,199	8	10				Interest paid and accrued to Depositors 1st Oct., 1896, to 30th Sept., 1897.				883	3	3
							Expenses of Management :—						
							Allowance Treasurer				18	6	8
							„ Clerk				9	3	4
							„ Auditor				15	0	0
				1,199	8	10								925	13	3
							Profit on year's transactions				..	...		273	15	7
				£1,199	8	10								£1,199	8	10

CHARLES W. HILL, *Treasurer.*

APPENDIX C.

Stanley,
May, 1898.

SIR,

I have the honour to submit herewith a general Statistical Table for the Blue Book for 1897.

It gives the principal items of information illustrating the progress of the Colony from its foundation.

A glance at this retrospect will at once show the great success that has followed the industry and enterprise of a handful of permanent English settlers, which numbered 52 in 1843.

Approximately, without adventitious aid, one thousand men now support an equal number of women and children; they occupy some 5,000 square miles of pastoral country, possess 732,000 sheep producing 4,301,000 lbs. of wool, and conduct an external commerce of £186,600.

Such is the material result shown in the fifty-fifth year of the colonization of the Falkland Islands.

I have, &c.,

CHARLES W. HILL.
Treasurer.

STATISTICAL TABLE SHOWING THE PROGRESS OF THE COLONY OF THE FALKLAND ISLANDS FROM THE YEAR 1842 TO 1897.

Year.	Parliamentary Grant.	Revenue.	Expenditure.	Imports (*a*).	Exports (*b*).	Sailing vessels entered (*c*).		Steamers entered.	Horned cattle, wild and tame.	Sheep.	Year.
	£	£	£	£	£	No.	Tons.	No.	No.	No.	
1842	2,000	363	1,836	—	—	—	—	—	—	—	1842
1843	2,000	1,816	4,342	—	—	—	—	—	—	—	1843
1844	4,350	—	—	—	—	—	—	—	—	—	1844
1845	9,812	—	5,557	—	—	—	—	—	—	—	1845
1846	7,686	1,181	7,178	—	—	25	7,262	—	60,400	—	1846
1847	4,758	3,461	12,710	—	—	22	—	—	60,500	200	1847
1848	5,500	1,098	6,658	—	—	28	—	—	61,300	78	1848
1849	3,412	316	5,463	9,760	2,660	29	9,205	—	63,100	150	1849
1850	—	493	6,341	—	—	—	—	—	—	—	1850
1851	6,655	366	6,544	13,000	4,500	50	15,197	—	50–70,000	500	1851
1852	4,201	520	6,102	16,132	5,800	62	22,024	—	61,000	1,000	1852
1853	4,398	758	5,565	16,862	7,428	60	25,186	—	30–61,000	2,000	1853
1854	3,328	974	5,695	13,800	6,500	55	23,728	—	20–50,000	—	1854
1855	2,612	733	5,354	—	—	53	19,793	—	20–80,000	3,000	1855
1856	2,190	884	4,685	11,300	11,800	33	10,501	—	15–20,000	3,000	1856
1857	2,430	1,514	4 955	—	—	40	18,415	—	20,000	4,520	1857
1858	6,162	711	5,819	—	—	28	8,645	—	14,000	7,650	1858
1859	3,539	654	5,138	13,890	6,892	53	22,140	—	19,000	7.912	1859
1860	3,786	1,438	5,427	26,697	4,910	47	15,909	—	19,000	10,600	186

1861	5,269	1,024	5,797	27,205	14,486	54	21,327	—	28,500	11,550	1861
1862	3,435	3,036	6,711	25,532	15,556	62	34,306	—	30,000	15,369	1862
1863	4,082	1,166	4,537	28,658	18,415	74	33,673	—	21,000	19,300	1863
1864	4,734	1,111	6,122	19,438	10,114	60	23,524	—	30–35,000	25,630	1864
1865	6,523	1,133	8,096	15,040	17,325	55	20,452	—	30–35,000	25,695	1865
1866	5,075	1,186	7,125	20,948	21,780	70	42,547	—	27–32,000	31,498	1866
1867	4,044	2,364	6,455	22,125	18,230	62	32,678	—	33–38,000	34,986	1867
1868	3,370	2,070	6,850	20,710	12,695	50	29,730	—	28–29,000	37,788	1868
1869	6,473	2,574	8,475	18,172	19,184	54	22,195	—	36,000	60,000	1869
1870	3,782	3,176	7,838	20,596	19,894	55	20,227	—	43,000	64,675	1870
1871	3,722	2,808	11,324	23,715	24,692	60	29,959	—	44,680	78,380	1871
1872	3,350	4,284	10,200	24,441	31,435	48	25,700	—	40,810	124,690	1872
1873	3,382	4,520	9,057	36,540	40,586	53	26,518	—	45,000	169,015	1873
1874	3,588	3,968	9,790	28,156	41,720	49	17,679	—	—	—	1874
1875	3,656	4.133	10,163	42,460	38,989	55	22,403	—	25,000	185,400	1875
1876	3,212	3,356	6,653	27,056	37,121	37	22,892	—	21,148	271,400	1876
1877	3,638	3,286	6,266	33,283	59,878	31	11,415	—	14,290	283,350	1877
1878	1,755	3,838	6,364	35,792	51,055	35	8,386	4	14,840	313,300	1878
1879	3,131	5,022	6,312	38,940	71,340	44	12,725	—	15,710	351,620	1879
1880	Nil.	4,433	5,074	33,505	88,564	38	20,475	7	16,450	410,800	1880
1881	(*d*) 500	7,891	8,078	40,443	87,919	29	18,942	27	—	—	1881
1882	(*d*) 1,000	6,681	7,565	35,429	76,931	30	20,174	20	—	—	1882
1883	(*d*) 1,000	7,337	8,728	52,913	84,593	23	14,238	13	11,374	428,918	1883

(*a*) Imports retained for home consumption.
(*b*) Exports of produce of the colony.
(*c*) As with but few exceptions, the vessels entered also cleared, a return of the latter is not given.
(*d*) Grant in aid of mail service.

N.B.—Where blank spaces occur no figures can be traced from official records.

STATISTICAL TABLE SHOWING THE PROGRESS OF THE COLONY OF THE FALKLAND ISLANDS FROM THE YEAR 1842 TO 1897—*continued.*

Year.	Parliamentary Grant.	Revenue.	Expenditure.	Imports (*a*).	Exports (*b*).	Sailing vessels entered (*c*).		Steamers entered.	Horned cattle, wild and tame.	Sheep.	Year.
	£	£	£	£	£	No.	Tons.	No.	No.	No.	
1884	(*d*) 500	9,134	7,791	67,848	101,338	23	16,747	14	11,569	473,227	1884
1885	Nil.	10,438	7,598	48,314	97,846	21	11,353	15	7,934	516,975	1885
1886	Nil.	9,295	7,951	73,602	108,946	22	15,505	15	5,471	485,521	1886
1887	Nil.	8,963	9,128	66,785	107,995	35	21,535	18	6,210	562,821	1887
1888	Nil.	8,951	8,818	54,008	88,743	21	8,132	15	8,169	582,419	1888
1889	Nil.	8,628	9,720	55,716	116,102	31	12,241	14	6,521	589,722	1889
1890	Nil.	9,492	9,389	67,182	115,865	30	12,336	13	7,200	676,000	1890
1891	Nil.	11,551	13,302	67,827	130,752	26	16,766	17	6,321	667,344	1891
1892	Nil.	11,485	10,947	70,138	126,312	32	17,765	18	5,755	642,735	1892
1893	Nil.	11,450	11,288	71,126	134,872	24	10,398	18	6,200	771,305	1893
1894	Nil.	11,958	12,395	62,270	131,801	18	12,043	21	8,192	763,244	1894
1895	Nil.	12,518	13,159	71,826	122,988	21	14,204	15	6,850	791,442	1895
1896	Nil.	12,358	13,569	69,985	132,194	22	16,429	21	6,500	801,359	1896
1897	Nil.	12,970	13,636	63,286	123,186	16	11,051	25	7,343	732,010	1897

(*a*) Imports retained for home consumption.
(*b*) Exports of produce of the colony.
(*c*) As, with but few exceptions, the vessels entered also cleared, a return of the latter is not given.
(*d*) Grant in aid of mail service.

N.B.—Where blank spaces occur no figures can be traced from official records.

LONDON:
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By DARLING & SON, Ltd., 1–3, Great St. Thomas Apostle, E.C.

1898.

COLONIAL REPORTS—ANNUAL.

No. 263.

FALKLAND ISLANDS.

ANNUAL REPORT FOR 1898.

(For Report for 1897, *see* No. 235.)

Presented to both Houses of Parliament by Command of Her Majesty.
July 1899.

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COLONIAL REPORTS.

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ANNUAL.

No.	Colony.	Year.
234	Sierra Leone	1897
235	Falkland Islands	,,
236	Straits Settlements	,,
237	British New Guinea	1896–97
238	Bahamas	1897
239	St. Lucia	,,
240	St. Helena	,,
241	Trinidad and Tobago	,,
242	British Honduras	,,
243	Malta	,,
244	Fiji	,,
245	Hong Kong	,,
246	Leeward Islands	,,
247	Grenada	,,
248	Gibraltar	,,
249	Gold Coast	,,
250	Mauritius and Rodrigues	,,
251	Solomon Islands	1897–98
252	Seychelles	1897
253	Labuan	,,
254	Ceylon	,,
255	Basutoland	1897–98
256	Newfoundland	1896–97
257	Cocos-Keeling and Christmas Islands ...	1898
258	British New Guinea	1897–98
259	Bermuda	1898
260	Niger.—West African Frontier Force ...	1897–98
261	Jamaica	,,
262	Barbados	1898

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland ...	Mineral Resources.
8	Western Pacific ...	Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands... ...	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.

No. 263.

FALKLAND ISLANDS.

(For Report for 1897, *see* No. 235.)

GOVERNOR GREY WILSON to MR. CHAMBERLAIN.

Government House,
Stanley,
4th May 1899.

SIR,

I HAVE the honour to transmit the Colonial Secretary's Report upon the Blue Book of this Colony for the year 1898.

I have, &c.,

W. GREY WILSON,
Governor.

3173—800—6/99 Wt 21935 D & S—5 (B)

FALKLAND ISLANDS, 1898.

REPORT ON BLUE BOOK, 1898.

General Revenue and Expenditure.

The total revenue for 1898 amounted to £13,039 being £69 more than for 1897, and £302 in excess of the estimates.

Receipts during the past three years show as follows :—

	1896.	1897.	1898.
	£	£	£
Customs	2,805	3,639	3,550
Port &c. dues	162	138	169
Licenses &c.	440	649	520
Fees	646	522	476
Post Office	1,171	856	1,159
Rents	4,916	4,936	4,998
Miscellaneous	149	83	82
Interest on investments	2,069	2,147	2,085
Totals	12,358	12,970	13,039

Revenue from the following sources exceeded that of the previous year :—

	£
Port, harbour, and tonnage dues ...	31
Post Office	303
Rents	62

The following fell below the previous year :—

	£
Customs	89
Licenses &c.	129
Fees	46
Miscellaneous	1
Interest	62

The revenue received in the past four years compares with that estimated thus :—

Year.	Estimated.	Received.	Excess.
	£	£	£
1895 ...	11,517	12,518	1,001
1896 ...	12,020	12,358	338
1897 ...	12,420	12,970	550
1898 ...	12,737	13,039	302

Although, then, the estimate has been raised from year to year, that hopeful view has been justified by results, demonstrating in a satisfactory manner the elasticity of the revenue.

The increase has been attained without the impost of any fresh taxes, duties, or charges, beyond a rise in the municipal rate on house property in Stanley for purposes of protection against fire from 6*d.* to 9*d.* in the pound on annual value.

Expenditure.

The total expenditure for 1898 was £14,278, viz. :—£1,239 beyond the actual revenue, and £2,559 in excess of that estimated to meet the requirements of the year.

The following table gives the several items during the past four years :—

	1895.	1896.	1897.	1898.
	£	£	£	£
Pensions	334	283	223	223
Governor	1,394	1,416	1,311	1,393
Colonial Secretary	1,109	1,111	1,145	1,304
Customs	192	99	209	165
Audit	66	55	43	25
Port and Marine	361	246	291	258
Legal	598	831	527	358
Police...	568	484	511	503
Prisons	97	78	244	234

——	1895.	1896.	1897.	1898.
Medical	605	576	630	565
Education	513	588	677	631
Ecclesiastical...	462	518	518	484
Transport	100	211	184	396
Miscellaneous	779	383	399	1,146
Post Office	2,271	3,000	2,873	3,045
Public Works	2,277	2,152	2,266	2,188
Interest, Savings Bank ...	808	855	945	1,002
Survey	402	391	349	334
Drawbacks &c.	223	292	291	24
Totals	13,159	13,569	13,636	14,278

	£
Items where the expenditure exceeded estimate...	2,794
Deduct those showing a saving over estimate ...	235
Net excess	2,559

The total revenue and expenditure for the last five years is shown below :—

Year.	Revenue.	Expenditure.
	£ s. d.	£ s. d.
1894 ...	11,958 11 10	12,395 19 7
1895 ...	12,518 16 6	13,159 8 4
1896 ...	12,358 1 10	13,569 9 4
1897 ...	12,969 12 2	13,636 10 0
1898 ...	13,039 1 7½	14,278 1 10

Taxes, duties, and other sources of revenue.

These have been modified and added to as follows :—

The rate of 6*d.* in the pound of annual value levied upon house property in the town of Stanley under Ordinances 7 of 1892 and

1 of 1893 was by Ordinance 5 of 1897 raised to 9*d.* in the pound, and appropriated exclusively to purposes of protection against fire. A sum of £115 19*s.* 0*d.* was received under this head.

Ordinance No. 3 of 1898, for the establishment of a fire brigade, provides that Insurance Companies carrying on business in Stanley shall contribute towards the maintenance of the steam fire-engine ⅛ per cent. per annum upon the capital sum assured.

A scale of charges for grazing animals within the limits of the town was put in force to run during the summer season.

For each animal for the whole season	8*s.*
„ „ „ per week during the season ...	1*s.*

ASSETS AND LIABILITIES.

This return shows at the close of the year—

	£	*s.*	*d.*
Assets	66,782	12	5
Liabilities	68,950	8	7
Liabilities, excess ...	2,167	16	2

Assets are made up of—

	£	*s.*	*d.*
1. Cash	1,693	8	4
2. Investments, Land Sales ...	20,304	0	4
Savings Bank ...	41,900	19	3
Intestates ...	568	16	1
3. Bills in transit	1,298	11	4
4. Advances due	1,016	17	1
Total ...	66,782	12	5

Invested funds show a gradual increase from year to year, hus :—

—	1896.	1897.	1898.
	£	£	£
and Sales...	16,932	18,504	20,304
avings Bank	34,222	33,041	41,900
ntestates	—	555	568
urplus	1,441	2,893	—

In the annual return for 1898 land sales fund appear as a ability as well as an asset.

FALKLAND ISLANDS, 1898.

Entered as an asset only we should then have the total assets as £66,782 12*s.* 5*d.*; total liabilities as £48,646 8*s.* 3*d.*; excess of assets £18,136 4*s.* 2*d.*

This represents an advance on previous years, excess :—

1895.	1896.	1897.	1898.
£	£	£	£
15,287	15,889	16,743	18,136

Liabilities.

These comprise—

	£	*s.*	*d.*
Bills on Colony	900	0	0
„ London	625	10	8
Overpaid in London	470	17	10
Deposits, Savings Bank ...	43,172	14	1
Intestates	932	3	8
Aliens	48	0	0
Scab	2,111	4	3
Land Sales	20,304	0	4
Post Office	1,351	1	5
Pensions	34	16	4
Total ...	68,950	8	7

The deposits in the Government Savings Bank continue by far the largest item of liability and show a yearly increase :—

—	1895.	1896.	1897.	1898.
	£	£	£	£
Savings Bank ...	35,661	36,363	39,426	43,172

Liabilities for Post Office Mail Subsidy £1,350 and for Pensions £34 16*s.* 4*d.* are as in the previous year.

As mentioned above the proceeds of sale of Crown Lands, which are invested and amount to £20,304 0*s.* 4*d.*, are for the first time scheduled as a liability.

Imports and Exports.

Subjoined is a table showing the total Imports and Exports for the past five years :—

Country.	Imports.					Exports.				
	1894.	1895.	1896.	1897.	1898.	1894.	1895.	1896.	1897.	1898.
	£	£	£	£	£	£	£	£	£	£
United Kingdom ...	54,500	64,248	62,641	54,225	64,992	130,071	122,988	131,186	123,186	103,700
Germany	759	720	441	642	705	—	—	—	—	—
Uruguay	1,712	3,615	1,705	2,794	2,119	—	—	—	—	—
Chili	4,232	3,243	5,198	5,375	5,171	1,160	—	1,008	2,632	—
Argentina	1,067	—	—	250	—	570	—	—	687	3,284
Total ...	62,270	71,826	69,985	63,286	72,987	131,801	122,988	132,194	126,505	106,984

FALKLAND ISLANDS, 1898.

Details of the principal articles of import and export are given below and compared with the figures of the preceding year :—

Exports.

Article.	1897.		1898.	
	Quantity.	Value.	Quantity.	Value.
		£		£
Wool	lbs. 4,301,500	107,537	lbs. 4,801,222	92,206
Sheep Skins ...	No. 72,700	9,087	No. 35,000	4,375
Seal Skins ...	No. 1,609	2,413	No. 571	787
Hides	No. 1,738	1,350	No. 1,800	1,000
Tallow ...	lbs. 213,880	1,782	lbs. 150,000	1,250
Live Sheep ...	—	—	No. 25,811	6,686

It will be seen that the output of wool has increased, whereas its total value is placed at a lower figure than in the previous year.

This is due to the low market rates that prevailed, the figures being mainly compiled from returns by the producers, who it is presumed rely in their turn upon their account sales.

So long as the land remains not fully stocked, and no adverse conditions intervene, the quantity of wool exported may be expected to show an increase from year to year. Experimental shipments to England of live sheep were made at the beginning of the year, and it is hoped that an outlet of this kind may be carried to a successful issue, and thus obviate the enormous waste which otherwise must annually recur in culling the flocks without any means offering for utilizing the carcases.

Imports.

Articles.	From United Kingdom.		From Germany.		From Uruguay.		From Chili.		From Argentina.	
	1897.	1898.	1897.	1898.	1897.	1898.	1897.	1898.	1897.	1898.
	£	£	£	£	£	£	£	£	£	£
Coal	3,242	2,689	—	—	—	—	—	—	—	—
Wearing apparel, Clothing material, including Boots and Haberdashery.	12,832	14,396	—	61	—	—	—	—	—	—
Hardware, Machinery	7,410	9,629	—	75	—	359	—	—	—	—
Oilmen's Stores, Groceries and provisions.	12,140	13,631	628	554	175	226	—	—	—	—
Live stock and Fodder	640	295	—	—	84	107	296	315	250	—
Building material, including Timber.	2,994	3,124	—	—	—	—	2,260	1,981	—	—

Imports—continued.

Articles.	From United Kingdom.		From Germany.		From Uruguay.		From Chili.		From Argentina.	
	1897.	1898.	1897.	1898.	1897.	1898.	1897.	1898.	1897.	1898.
	£	£	£	£	£	£	£	£	£	£
Liquor, Beer, Spirits, and wine of all kinds.	6,606	8,216	14	15	—	—	6	—	—	—
Tobacco and Cigars ...	2,657	1,925	—	—	—	—	—	—	—	—
Specie	40	1,500	—	—	—	—	—	—	—	—
Ships Stores, Cordage, &c.	4,503	7,397	—	—	—	—	—	—	—	—
Sheep dip	1,161	2,190	—	—	—	—	—	—	—	—
Fruit and Vegetables	—	—	—	—	702	467	158	85	—	—
Cereals	—	—	—	—	1,833	960	2,656	2,790	—	—
Fencing	—	—	—	—	—	—	—	—	—	—
Total	54,225	64,992	642	705	2,794	2,119	5,375	5,171	250	—

LAND GRANTS AND GENERAL VALUE OF LAND.

No land grants were made by the Crown during the year.

Practically the entire acreage of the Colony is sold or leased to some 36 farmers for pastoral purposes, the leased lands giving a total rental to the Crown of approximately £5,000 a year.

The freehold of large tracts of land was disposed of by the Government in 1890 for 3*s*. per acre, and at an auction of land in 1895, 4*s*. and a fraction per acre was bid. A plot of ½ acre in the outskirts of Stanley was re-purchased by Government for £74.

It is difficult to gauge the present value of land in the absence of business done.

Holders, judging from the lack of offers to sell, are not desirous of relinquishing their land, the worth of which may be estimated from the value of produce exported.

FALKLAND ISLANDS, 1898.

SHIPPING.

The year 1898 is the first for many years past during which volume of shipping entered and cleared during the past five years

Steam.

Country.	1894.				1895.			
	Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons	No.	Tons.	No.	Tons.
Germany...	14	23,738	14	23,738	14	26,093	14	26,093
England	1	1,893	1	1,893	1	1,893	1	1,893
Norway	6	714	6	714	--	—	—	—
Chili	—	—	—	—	—	—	—	—
Total ...	21	26,345	21	26,345	15	27,986	15	27,986

Sailing.

Country.	1894.				1895.			
	Entered.		Cleared.		Entered.		Cleared.	
	No.	Tons.	No.	Tons.	No.	Tons.	No	Tons.
England	15	9,702	11	6,132	17	10,801	12	7,325
Germany...	—	—	—	—	1	1,603	1	1,603
United States	1	1,663	1	1,663	1	60	1	60
Chili	1	300	—	—	1	358	1	358
Norway	1	378	1	378	1	1,382	1	363
Italy	—	—	—	—	—	—	—	—
Denmark...	—	—	—	—	—	—	—	—
Holland	—	—	—	—	—	—	—	—
Total ...	18	12,043	13	8,173	21	14,204	16	9,709

SHIPPING.

no vessel put in to Port Stanley for repair or in distress. The is shown in the subjoined table.

Steam.

1896.				1897.				1898.			
Entered.		Cleared.		Entered.		Cleared.		Entered.		Cleared.	
No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
20	36,339	20	36,339	19	41,543	19	41,543	17	42,539	17	42,539
1	3,528	1	3,528	—	—	—	—	5	12,232	5	12,232
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	6	1,204	6	1,204	11	1,945	11	1,945
21	39,867	21	39,867	25	42,747	25	42,747	33	56,716	33	56,716

Sailing.

1896.				1897.				1898.			
Entered.		Cleared.		Entered.		Cleared.		Entered.		Cleared.	
No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
8	6,606	6	4,278	10	6,919	10	6,019	4	1,927	3	1,877
3	5,482	2	970	3	2,848	3	2,848	—	—	—	—
1	1,498	3	4,782	—	—	—	—	2	1,775	1	1,710
6	1,036	5	589	2	471	2	471	4	731	4	731
4	1,807	3	2,885	—	—	—	—	1	305	1	305
—	—	—	—	1	1,711	1	1,711	—	—	—	—
—	—	—	—	1	348	—	—	1	401	1	401
—	—	—	—	—	—	—	—	1	276	1	276
22	16,429	19	13,504	17	11,397	16	11,049	13	5,415	11	5,300

FALKLAND ISLANDS, 1898.

LEGISLATION, LAWS, PROCLAMATIONS, &C.

Eleven Ordinances were passed during the year, the most important of which were :—

No. 3, creating a fire brigade and otherwise providing for action in the event of fire.

No. 4, relating to jurors and trials by jury.

No. 5, relating to gaols.

No. 6, relating to coroners, and adapting the proceedings to the peculiar conditions and necessities of life in the Colony.

No. 8, relating to trading companies.

No. 9, relating to harbours.

No. 10, relating to post office.

In all the Ordinances the aim has been to simplify as much as possible the local statute book, by the inclusion into one simple Ordinance of the salient provisions of many which are repealed.

Proclamations relating to coinage and to the Spanish American war were promulgated on the 5th and 19th of May respectively.

EDUCATION.

In the town of Stanley there are three schools :—

(1.) Government school, consisting of a senior and junior department, the former under the master, the latter in charge of his wife.

There is a mixed attendance at each school.

The senior school has on the roll 46 boys and 35 girls, or a total of 81, with an average attendance of boys 30·2, girls 25·8, giving a total of 56.

The junior or infant school numbers 37 boys and 38 girls, a total of 75, with an average attendance of 25 boys and 25·6 girls, in all 50·6.

(2.) State aided school carried on by the Roman Catholic Mission.

This school has a mixed attendance, and numbers on its roll 61 pupils, with an average attendance of 51·8.

(3.) Up to the departure in April of the Baptist Minister, a State aided school was kept up by him, having a total of some 30 boys and girls. These numbers have since diminished to the nominal figure of 13, with an attendance of 11 pupils.

Outside of Stanley, in the East Island camp, the Falkland Island Company maintain at their own cost an itinerant teacher on their property at Darwin. This teacher has on his books 18 boys and 16 girls, 34 in all. In the settlement of Darwin itself, a school having 24 pupils and an attendance of 17 is carried on by one of the Falkland Island Company's employees.

Education on the West Falklands is provided for by two Government paid itinerant schoolmasters who travel throughout the camp from house to house where there are children, devoting so many days or weeks to one family before moving on to the next.

Their work is one of considerable difficulty and no little discouragement, but it is fully compensated for in the knowledge that education, hitherto impossible, is brought within the reach of all parents who desire it.

Education in the Colony has been made compulsory by Local Ordinance with the best results.

Government Savings Bank.

The annual report of the manager shows the satisfactory state of the Government Savings Bank.

The number of depositors increased during the year from 327 to 349, and the deposits from £38,270 to £42,760, representing an average increase from £117 to £121 per depositor. Invested bank funds have increased from £33,591 to £38,077.

Deposits to the amount of £10,961 were made in 1897-98 as compared with £8,779 in the year 1896-97, while £7,713 was withdrawn as against £8,110 in the latter year.

Judicial Statistics.

Prisons.

The local gaol has accommodation for seven prisoners at one time, allowing a separate cell for each.

During the year six persons were committed for short terms, two for offences against the person, three for offences against property, and one for breach of Local Ordinances.

Besides these, several men from Her Majesty's Ships were committed to gaol for breaches of naval discipline for varying periods up to 90 days.

CRIMINAL STATISTICS.

—	1895.	1896.	1897.	1898.
Number of offences reported to police	107	40	53	46
Number of summary convictions :—				
Offences against person	12	8	11	7
Offences against property ...	13	4	6	8
Other offences	42	14	27	28
Number of Supreme Court convictions :—				
Offences against person	2	—	—	—
Offences against property ...	—	—	2	—
Number of acquittals :—				
Inferior Courts	38	10	7	3
Supreme Courts	—	4	—	—

POPULATION AND VITAL STATISTICS.

Sixty-four births, being at the rate of 36 per thousand, and 27 deaths, at the rate of 15·4 per thousand, of the population were recorded during the year.

The abnormally high death-rate was caused by a boat accident wherein ten lives were lost.

A house to house visitation revealed the exact population of the town of Stanley to be 789, composed of:—Men, 185; women, 233; boys, 208; girls, 163.

The remaining population of the Islands, 964, is scattered among the sheep farms throughout the camp in the East and West Island.

Fourteen marriages were solemnized in the Colony during the year.

Generally the state of public health is good. Epidemics or visitations of colds and coughs of a more or less severe type recur each winter but with few fatal results.

Rainfall is not excessive. It rains often but in no great volume. The temperature is normally low, always cold, without, however, the extreme frosts, or summer heat, of England.

The prevailing winds from W., S.W. and S. are high and continuous, and make the cold felt far more than it would otherwise be. At the same time, they contribute largely to the healthy condition that prevails in the absence of organized sanitation.

MAIL SERVICE.

Mail service is carried on by steamers of the German Kosmos Company, which call once every three weeks for mails, passengers, and cargo. The average time to England by the direct homeward steamers is five weeks, and by the steamers which tranship mails into the Pacific boats at Punta Arenas a little over five weeks.

From England a mail is made up every three weeks for the Falkland Islands.

This is brought alternately by the Kosmos steamers which come out direct, bringing parcels as well, and occupy 30 days on the passage, and by the Pacific S.S. Company conveying letters only as far as Punta Arenas, where they are transhipped to a Kosmos steamer for conveyance to this Port. These latter mails occupy five weeks in transit.

The Kosmos Company receives an annual payment from the Local Government under a 5 years' contract, which expires on 1st July of 1900, of £2,500.

Within the Colony, mails are distributed by a contract schooner at an annual cost of £450 upon the arrival of each Kosmos steamer.

POSTAL STATISTICS.

The following are briefly the postal transactions during the year :—

Revenue :—

	£
Parcels Post	86
Commission on Money Orders ...	39
Sale of Stamps, &c.	816
Insufficient postage	8
Transit Rates, triennial	210
Total	£1,159

FALKLAND ISLANDS, 1898.

Expenditure :—

	£
Salaries of Staff	25
Mail Contract, Kosmos Co.	2,500
Mail Contract, Local	385
Stores	85
	£3,995

Excess expended over receipts £1,886

Money Orders :—

Issued in Colony	£
To England	4,677
To English Colonies	73
To Foreign Countries	166
Total	£4,916

Number of letters carried in year :—

Ordinary	26,000
Registered	2,000
Papers, books, packets, &c.	34,000
Parcels to England	166
Parcels from England	1,039
Parcels rates	4,000
Parcels rates insured	200
Value of parcels carried	£2,200

The above figures are certain to be very largely increased during the current year, in consequence of the adoption by the Colony on the 25th December last year of Imperial penny postage letter rate, and of the reduced rates for parcels.

MILITARY.

The military element in the Colony is represented by a Volunteer Rifle Company of six officers, four non-commissioned officers, and 75 privates, armed with Martini-Henry rifles, and two field guns, nine-pounders.

The Corps is maintained from local revenue by a capitation grant of £2 per annum for each efficient. Last year £90 was received in respect of 45 efficients. These grants go towards purchase and upkeep of uniforms, &c.

GENERAL.

The only modifications in the civil establishment during the year were caused by the death of the senior constable, and by the creation of a new appointment as engineer in charge of Public Works which Mr. Charles Messervy took up on the 11th of August. W. Miller, Consul for the United States, was replaced by Mr. John E. Rowen, the issue to whom of Her Majesty's Exequatur was published on the 20th of July.

Except in the town of Stanley there are no made roads. The nature of the formation of the Islands does not lend itself readily to the laying out of roads, being in the main, on the East Island at least, soft and boggy. In such ground the making of hard permanent roads would be costly beyond either the present means or needs of the Colony.

There are no railways or canals.

Prevailing conditions do not favour immigration, inasmuch as the existing population more than suffices for existing demands.

So much is this the case that in the absence of any opening, numbers of the sons of Colonists have emigrated to the wider field offered by Patagonia, either as sheep farmers or as labourers.

The future prospects of trade present no great encouragement over and above what has obtained for years past; fresh industries may and doubtless will be opened up some day, but not until the population has been augmented and opportunities afforded for the profitable investment of capital.

There can be no question of the fitness of the climate (which is very similar to that in the wild districts of the West of Scotland and Ireland) for Europeans.

As stated above no opening at present offers for the introduction of labour.

Rates of wages can only be quoted at the figures that have ruled for years past, which have suffered no material alteration nor are likely to experience any modification so long as the population remains as it is.

Generally speaking wages rule as follows :—

Carpenters 1*s.* per hour.
Labourers 8*d.* per hour.
Domestic servants £2 a month.
Shepherds £5–£6 a month.
Farm labourers £5 a month.

In Stanley prices rule thus :—

Bread 9*d.* per 4lb. loaf, or 2¼*d.* per lb.
Mutton 2½*d.* per lb.
Beef 5*d.* per lb.
Vegetables 2*d.* per lb.
House rent from £1 to £4 a month.

All other articles are imported from England, and can be purchased locally at an advance of from 25 to 50 per cent. on home prices.

The social condition of the people is good, and the Colony is generally prosperous.

F. CRAIGIE-HALKETT,

Colonial Secretary.

Stanley,
Falkland Islands,
21st April, 1899.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
By DARLING & SON, Ltd., 1-3, Great St. Thomas Apostle, E.C.

1899.

COLONIAL REPORTS—ANNUAL.

No. 291.

FALKLAND ISLANDS.

REPORT FOR 1899.

(For Report for 1898, *see* No. 263.)

Presented to both Houses of Parliament by Command of Her Majesty.

June 1900.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
262	Barbados	1898
263	Falkland Islands	,,
264	Gambia	,,
265	St. Helena	,,
266	Leeward Islands	,,
267	St. Lucia	,,
268	Fiji	,,
269	Turks and Caicos Islands	,,
270	Malta	,,
271	Gold Coast	,,
272	Trinidad	,,
273	Sierra Leone	,,
274	Ceylon	,,
275	British Solomon Islands	1898–99
276	Gibraltar	1898
277	Bahamas	,,
278	British Honduras	,,
279	Mauritius and Rodrigues	,,
280	Grenada...	,,
281	St. Vincent	,,
282	Hong Kong	,,
283	Jamaica	1898–99
284	Lagos	1898
285	Seychelles	,,
286	Christmas and Cocos-Keeling Islands ...	1899
287	Straits Settlements	1898
288	Basutoland	1898–99
289	Niger Coast Protectorate	,,
290	British Guiana	1897–98 & 1898–99

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast...	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Report for 1899.

No. 291.

FALKLAND ISLANDS.

(For Report for 1898, *see* No 263.)

GOVERNOR GREY-WILSON to MR. CHAMBERLAIN.

Government House, Stanley,

4th April, 1900.

SIR,

I HAVE the honour to transmit the Blue Book of the Colony for 1899, and the Acting Colonial Secretary's report of the condition and progress of the Colony during the year.

I have, &c.,

W. GREY-WILSON,

Governor.

The Right Honourable

JOSEPH CHAMBERLAIN,

&c. &c.

REPORT ON BLUE BOOK FOR 1899.

FINANCIAL.

The Revenue received in 1899 amounted to £13,219, and the Expenditure to £13,314.

6017—800—6/1900 Wt 21935 D & S—5

FALKLAND ISLANDS, 1899.

General Revenue and Expenditure.

The following are the heads of Revenue and Expenditure and the amounts received and paid under each head during the year as compared with those in the preceding year:—

Revenue.

—	1898.	1899.
	£	£
Customs	3,550	3,185
Port, &c., Dues	169	253
Licenses, &c.	520	578
Fees...	476	556
Post Office	1,159	1,198
Rents	4,998	4,953
Miscellaneous	82	181
Interest on Investments	2,085	2,315
Totals	13,039	13,219

Expenditure.

—	1898.	1899.
	£	£
Pensions	223	223
Governor	1,393	1,427
Colonial Secretary	1,304	1,344
Customs	165	145
Audit	25	20
Port and Marine	258	258
Legal	358	334
Police	503	468
Prisons	234	236
Medical	565	622
Education	631	608
Ecclesiastical	484	467
Transport	396	83
Miscellaneous	1,146	628
Post Office	3,045	3,077
Public Works	2,188	1,485
Interest, Savings Bank	1,002	1,092
Survey	334	797
Drawbacks, &c.	24	—
Totals	14,278	13,314

Subjoined is a comparative statement of the total Revenue and Expenditure of the past five years.

—	1895.	1896.	1897.	1898.	1899.
	£	£	£	£	£
Revenue ...	12,518	12,358	12,969	13,039	13,219
Expenditure ...	13,159	13,569	13,636	14,278	13,314
£	– 641	– 1,211	– 667	– 1,239	– 95

Revenue and Expenditure per Head.

The total Revenue per head of the population was £7 10*s.* 4*d*, and the total Expenditure £7 10*s.* 11*d*. The former was greater by 1*s.* 6*d.* per head but the latter was less by 12*s.* per head than in the previous year.

Revenue—How Raised.

The Revenue was the highest ever raised. It exceeded that of 1898 by £180, which was the year in which the highest Revenue had previously been realised, and was £651 in excess of the average actual Receipts of the previous five years.

The amounts of which the Revenue is made up are of two classes, viz., those raised by taxation and those raised otherwise.

The former class consisted in 1899 of Customs Duties, Port and Harbour Dues, and Licences.

The latter class comprises amounts derived from the occupation of Crown Lands, from Post Offices, from Fees, Fines and Forfeitures, from Interest on the Funded Accounts, and from Miscellaneous Services.

The following figures show the result of a division of the Revenue upon this principle:—

	£
Revenue raised by taxation	4,016
,, ,, otherwise	9,203

From these figures it may be ascertained that 30 per cent. of the total Revenue was raised by taxation, and if the amount so raised be divided by the estimated population of the year, namely, 1759, an average will be obtained of £2 5*s.* 8*d.* to each individual.

FALKLAND ISLANDS, 1899.

The greater portion of the general Government taxation is derived from Custom Duties. The Revenue derived from that source in 1899 was over 79 per cent. and was equivalent to a charge of $4\frac{1}{4}$ per cent. on the total value of the Imports.

Expenditure.

The Expenditure was less than that of any of the previous three years. As compared with 1898, the decrease was £964, whilst the saving in the expenditure of the departments was general. The most important increases over the estimated expenditure occurred through the appointment of a temporary officer on the departure of the Colonial Secretary on leave of absence, and on public works, where £635 was expended in excess of the small vote of £850 under that head.

Deficit.

It is anticipated that the deficit, which has averaged some £600 during the past nine years, will soon disappear by the important changes affecting the sources of Revenue contemplated during the year.

Changes in Taxation.

As a result of fresh legislation imposing a small tax on exports and readjusting the Customs tariff, which came into operation shortly after the close of the year, not only will funds be made available for expenditure on public works of an urgent nature, but the equilibrium between Revenue and Expenditure will be also secured.

Assets and Liabilities.

The following statement will explain the financial position of the Colony on the 31st December, 1899:—

	£
Assets	72,515
Liabilities	75,659
Excess of Liabilities	3,144

The relative amounts of the invested funds during the past five years were as follows:—

Invested Funds.

Fund.	1895.	1896.	1897.	1898.	1899.
	£	£	£	£	£
Land Sales ...	14,895	16,933	18,504	20,304	23,046
Savings Bank ...	33,692	34,222	33,042	41,901	43,401
Intestate Estates	—	542	555	568	582
Surplus	1,041	1,441	2,893	—	—
Notes	—	—	—	—	333
Totals ...	49,628	53,138	54,994	62,773	67,362

Currency.

The currency of the Colony is that of Great Britain, though gold is but little in circulation. The last importation of gold took place many years ago, and the old prejudice still prevails among the people against parting with any they may receive. They prefer to hoard it, and only at favourable periods dispose of it at a premium abroad, quite unmindful of the fact that the yield of interest on its deposit in the Savings Bank would offer an equal, possibly a better, gain without the attendant risk of loss by treating it as treasure. The value of this metal being now put at the cost of renewing the stock of it has, in consequence, made it give place to silver. In the absence of bank paper money, this ordinary medium of exchange as a legal tender to an unlimited amount has been long felt to be cumbersome. To relieve it provision was made during the year for the issue of Government paper currency within the Colony, redeemable in specie on demand at the Treasury.

Adequate provision was made for the redemption of these currency notes, which were proclaimed legal tender on the 16th October, and £1,000 worth of £5 and £1, as an experiment, were issued on that day; they were soon found to be circulating rapidly, and were being taken freely in exchange for commodities and services, both by the people in the town and in the

country, for whose latter benefit they were more especially devised. Indeed, a demand for a further issue had already been created before the end of the year, when there were only £15 worth left in the Treasury.

TRADE AND INDUSTRIES.

Imports and Exports.

The returns of imports and exports are likewise the highest ever recorded.

The value of the imported goods was £73,978, and the value of the exported goods was £139,203, of which £138,431 was the value of goods the produce of the Colony.

Details of the chief articles of import are given below, and are compared with the figures of the preceding year:—

Imports.

—	1898.	1899.
	£	£
Coals	2,689	4,207
Specie	1,500	1,630
Wearing apparel	3,524	2,832
Clothing, boots and shoes	6,876	5,967
Glass, earthenware	502	371
Oilman's stores ... ... }	17,936	18,433
Groceries, general provisions ... }		
Furniture	2,058	1,484
Ship chandlery	7,397	5,681
Dip	2,190	1,448
Hardware, machinery	5,675	6,131
Haberdashery	2,333	3,765
Live stock and fodder	667	2,536
Timber, building materials	5,105	5,113
Spirits	3,770	4,001
Wines	486	462
Malt liquor	3,960	2,128
Tobacco, cigars	1,925	2,141
Fruit and vegetables...	552	349
Parcel post	1,663	2,534
Unenumerated	2,179	2,765
Total	72,987	73,978

The quantities of the staple products of the Colony exported were as follows:—

Exports.

——	1898.		1899.	
	Quantity.	Value.	Quantity.	Value.
	lbs.	£	lbs.	£
Wool	4,801,222	92,206	4,823,458	118,961
Tallow	150,000	1,250	485,173	4,125
	No.		No.	
Sheepskins... ...	35,000	4,375	83,592	10,389
Live stock	25.811	6,776	14,188	2,858
Hides	1,800	1,000	1,406	1,248
Sealskins	571	787	580	800
Hair, horns, bones	—	10	—	50
	—	£106,404	—	£138,431

The totals of imports and exports for the past five years are as under:—

——	1895.	1896.	1897.	1898.	1899.
	£	£	£	£	£
Imports... ...	71,826	69,985	63,286	72,987	73,978
Exports... ...	122,988	132,194	126,505	106,984	139,203
Total ...	194,814	202 179	189,791	179,971	213,181

FALKLAND ISLANDS, 1899.

Volume of Trade.

The volume of trade in 1899 was therefore in excess of that in 1898 by £33,210, an increase due to the greater yield of almost all the articles produced in the Colony. These happened to have been in greater request in the home markets, especially at the end of the year, when Falkland Islands wool, under excellent competition, realised prices $1\frac{3}{4}d.$ to $2\frac{1}{2}d.$ per lb. higher than in the earlier part of the year.

While the value of exports far exceeds that of the imports, year by year, the Colony has no other payments to make or to receive, save the small amount due to German shipowners for the service rendered in carrying this British produce. The Colony is therefore in a position to lend more capital than she borrows, and her purchasing power is relatively great.

Direction of Trade.

The proportion of the general trade of the Colony enjoyed by the Mother Country has not altered during the last twelve months. She is credited with 90 per cent. of the imports and 98 per cent. of the exports. The balance was distributed more or less evenly among the neighbouring countries of Chili, Argentina, and Uruguay. Until local steam service is inaugurated, or the steamers which run along the Patagonian coast connect with ports in the Colony, little chance of any development or regularity of trade in this direction can be expected.

MINES, MANUFACTURES, AND FISHERIES.

Mines, manufactures, and fisheries have yet to be discovered, and to be established. Experiments, so far as they went during the year, proved that the local clays are suitable for building and for fire-bricks, and for common pottery. There is also a possibility of the argillaceous limestone yielding a very valuable building material. At present all building material has to be imported at very costly prices; the benefit therefore, both to industrial labour and the local market from the creation of such a manufactory, cannot be too highly estimated.

Pastoral Industry.

The flourishing condition of the staple industry, that of sheep farming, continues and is likely still further to improve now that

the disease of scab (*acarus scabies*) among the flocks, for the time being, has been eradicated.

There were, as appear in the following table, 30 occupiers of land, whose holdings and stock varied as shewn:—

——		No. of Farms.	Sheep.
Under 6,000 acres		4	4,244
6,000 „		3	7,493
6— 12,000 „		2	7,993
12— 24,000 „		3 (1 freehold)	29,690
24— 36,000 „		2	42,661
36— 48,000 „		1	19,000
48— 62,000 „		4 (1 freehold)	83,077
62— 74,000 „		1	26,036
74— 86,000 „		3	81,404
86—108,000 „		2	55,853
108—132,000 „		2	61,824
132—156,000 „		1	50,611
156—180,000 „		1	51,705
800,000 „		1 (freehold)	258,320
	2,317,620	30	779,911

Agriculture.

The characteristics of the soil and climate are not favourable to agriculture.

Land Grants and Value of Land.

With the exception of the Island of South Georgia, 96 miles long and 10 miles broad, situated in about the same latitude as Yorkshire, there are no unappropriated lands. All

the land leases at £20 per section of 6,000 acres were renewed by the Crown between the years 1892-7 for the space of 21 years, since which period station-holders have not shewn any disposition to sell out or to transfer their leases. Such town properties as changed hands during the year were very few in number and extent. Their value may be gauged on an average of £120 per acre.

Shipping.

The movements of shipping during the year as compared with 1898 were as follows:—

1899.

Flag.	Number of Vessels.					
	Inwards.			Outwards.		
	Steam.	Sailing.	Tonnage.	Steam.	Sailing.	Tonnage.
British	1	11	14,787	1	10	12,671
Norwegian ...	—	5	4,582	—	3	3,171
American ...	—	3	6,452	—	2	4,243
Chilian	9	7	3,386	9	7	3,356
German ...	18	1	46,506	17	1	43,657
Danish	—	1	947	—	—	—
French	—	1	602	—	1	602
Total ...	28	29	77,262	27	24	67,700

1898.

Flag.	Number of Vessels.					
	Inwards.			Outwards.		
	Steam.	Sailing.	Tonnage.	Steam.	Sailing.	Tonnage.
British	5	4	14,159	5	3	14,109
Norwegian ...	—	1	305	—	1	305
American ...	—	2	1,775	—	1	1,710
Chilian	11	4	2,676	11	4	2,676
German... ...	17	—	42,539	17	—	42,539
Danish	—	1	401	—	1	401
Holland ...	—	1	276	—	1	276
Total ...	33	13	62,131	33	11	62,016

The following is a comparative statement of the total shipping, inwards and outwards, for the past five years:—

Year	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1895 ...	15	21	36	42,190	15	16	31	37,695
1896 ...	21	22	43	56,296	21	19	40	53,371
1897 ...	25	17	42	54,144	25	16	41	53,796
1898 ...	33	13	46	62,131	33	11	44	62,016
1899 ...	28	29	57	77,262	27	24	51	67,700

The steamer service was performed by the German Kosmos Steamship Company, of Hamburg. These steamers gave the Colony communication with the outside world once every three weeks.

The carriage of live stock to Patagonia and of lumber thence is in the hands of steamship owners at Punta Arenas, who make up for the shortcomings of this port in this respect. They sail under the Chilian flag.

The spirit of enterprise which in 1898 led to the export of live stock to the United Kingdom in British bottoms was interrupted, and to this is entirely attributed the decrease in the number of British steamers which called as compared with the preceding year. The only British steamer which made for the port put in for repairs in a disabled condition.

Of the 29 sailing vessels that called, 2 of 651 total tonnage were regular cargo carrying vessels, with annual supplies to supplement those brought by the German steamers; 2 of 1197 total tonnage arrived with coal cargoes for Her Majesty's ships, 2 with lumber, and 2 in ballast.

The very severe gales that prevailed off Cape Horn in October brought in the other 21 vessels. 2 came for provisions after prolonged and stormy voyages, 2 for medical aid, 2 only to report that their masters had been struck by heavy seas and killed, 4 to refit their sails, while the remaining 10 struggled in for repairs. There were 2 wrecks and 1 collision. Relief to 1 shipwrecked crew, rescued a few hours before their ship sank, by a vessel herself in distress, in latitude 57½° S. 72° W., was given during the year.

FALKLAND ISLANDS, 1899.

A casual glance at the vessels, 13 of which at one time rode in the harbour together, was sufficient to reveal the terrible experiences which master and crew each in turn related. Such a long list of casualties had never before been known within the memory of the oldest inhabitant, and taxed the resources of the port to the utmost. The repairs to the five vessels that remained at the end of the year were, however, executed shortly after its close.

The value placed on the port as a port of refuge where facilities also are given to vessels to refit and obtain provisions is therefore not unmerited.

The coasting trade is carried on by schooners of small tonnage.

LEGISLATION.

Four Ordinances were passed during the year, two of which provided for the services of the years 1898 and 1900.

Of the other two, one relates to the Seal fishery. With a view to its revival and protection, it ordains a close and an open season, and prohibits fishing except by licence and the payment of a small royalty on the catch.

The other Ordinance consolidates the laws referring to wrecks, casualties, and salvage. The provisions for Enquiries into Wrecks are brought into harmony with those of the Law of England which, subject to local circumstances, has also been otherwise generally applied.

EDUCATION.

There is one primary school, supported entirely by Government, with four instructors. The number of scholars on the rolls was 190, against 156 in 1898, with an average mixed attendance of 97.

One school, that of the Roman Catholics, with 62 pupils on the rolls, and an average attendance of 48, received aid from Government during the year.

Both these schools are situated in the town of Stanley, where there is also one unaided private school, with some 12 pupils.

On the East Island one school is privately maintained at Darwin; it had some 26 boys and girls on its roll in 1899, and an attendance of 21. A travelling schoolmaster also assists in that district, where there were some 36 children on his books.

The West Island is divided into two districts for Educational purposes; these are placed under the care of two travelling schoolmasters, employed and paid by Government, who visit each family in their districts for a few weeks at a time. There were

some 60 children under instruction in this way during the greater part of the year. Though this plan of instruction was only conceived in 1896, the progress of work, both when the masters were present as well as between their visits, has been most marked and encouraging.

The primary education, so far as it is extended, well fulfils the object which it endeavours to attain. There is no demand for educated commercial labour.

GOVERNMENT INSTITUTIONS.

Hospitals, &c.

There are no hospitals, asylums, poor houses or reformatories in the Colony. Urgent cases requiring the care that such afford are not, fortunately, of frequent occurrence, and are met by transference to Monte Video, or to the United Kingdom.

Government Savings Bank.

The capital of the Government Savings Bank, £44,323, shows a tendency still to increase with the popularity that that institution has acquired amongst all classes. The number of depositors on the 30th September, the end of the bank year, increased from 349 to 356, the average credited to each depositor rose from £121 to £124, and that per head of the population from £20 to £22. The invested funds were increased by £5,603, and the profit for the year amounted to £302 as against £183 in the preceding year.

The Penny Savings Bank deposits are included in the above. This bank, which may be said to have been the forerunner of the Government Savings Bank, had a balance of £640 11*s.* 11*d.*, distributed amongst 94 depositors.

Fire Brigade.

There is a volunteer fire brigade of 33 members.

JUDICIAL STATISTICS.

Police.

No alteration took place in the police, which remained at its usual complement.

Prisons.

The total number of prisoners in confinement in the gaol during the year amounted to 48, with a daily average number of 5·7,

of whom 16 were civil and 32 naval prisoners. 47 were committed for three months or less, and 1 for a year. The majority of the civil prisoners received were merchant seamen convicted for drunkenness or acts of indiscipline under the Merchant Shipping Laws, and those from Her Majesty's ships for breaches of naval discipline. Of these prisoners 1 civil and 1 naval had been committed before.

The cost of their maintenance was £236; calculated on the daily average number in prison the cost per head was £43, or 2*s.* 4*d.* a day.

The number of offences brought to trial and number of convictions show a decrease on previous years, as will be seen from the following criminal statistics:—

——	1895.	1896.	1897.	1898.	1899.
Number of offences reported to police	107	40	53	46	38
Number of summary convictions—					
Offences against person	12	8	11	7	11
Offences against property	13	4	6	8	3
Other offences	42	14	27	28	24
Number of Supreme Court convictions—					
Offences against person	2	—	—	—	1
Offences against property	—	—	—	2	—
For other offences	—	—	—	—	1
Number of acquittals—					
Inferior Courts	38	10	7	3	4
Supreme Courts	—	4	—	—	—

VITAL STATISTICS.

There were 60 births and 27 deaths registered during the year. The birth rate was 33·59 and the death rate 15·12.

By the census taken in 1891 the population was found to be 1,789, while that of 1898 was estimated at 1,753. Taking the natural increase of 33 in 1899 and deducting the number of 27 departures over arrivals the population of the Colony at the end of the year may be set down at 1759, or ·207 to the square mile.

Of the 12 marriages solemnized, 10 were solemnized by ministers of the Church of England and 2 by ministers of the Roman Catholic Church.

Public Health.

The general state of the public health, as exemplified by the returns submitted, has been good. Save a few cases of scarlatina of a very mild form and the usual visit of influenza, the Colony was free from contagious or infectious diseases. Epi-Colony was free from contagious or infectious diseases.

Sanitation.

The sanitation of the town is left more or less to the natural drainage of the slope of the hill on which it is situated. Surface water flows quickly away through the peaty loam, above a layer of clay resting upon rock, here and there being assisted by intercepting drains leading into the open gutters or ditches along the sides of the public streets. Sewage is to some extent led through drains and discharged into the sea at about high water mark.

The water supply is derived from rain-water stored in tanks or butts.

Climate.

There are but scanty materials from which to report on the climate of the Colony. The rainfall was returned at 30·80 inches as against 29·93 in 1897, but these records, though approximate, are not absolutely accurate.

The following records of the temperature of each month in the year are condensed from the readings of the thermometer taken at the Lighthouse for the Board of Trade. The table gives the monthly mean temperature of the Falkland Islands during the year, and, for comparison, that of the United Kingdom, on an average of fifty years.

——	Falkland Islands.	United Kingdom.
	°	°
January	49	37
February	51	39
March	49	41
April	47	46
May	40	53
June	36	59
July	37	62
August	35	61
September	40	57
October	42	50
November	45	43
December	50	40

——	Latitude.	Summer Temperature.	Winter Temperature.	Mean of Summer and Winter.
	° ′	°	°	°
Falklands	51 42 S	50	36	43
United Kingdom ...	51 35 N	60	38	49

Hence the Falkland Islands' climate is colder in winter and is no less than 10° less hot in summer than that of the United Kingdom.

The atmospheric currents are very unconfined in their limits, and southerly winds are frequent for two or three days at the time, but westerly winds prevail throughout the year, interrupted at intervals by a northerly and easterly wind. The winds

are incessant, and increase in force as the sun approaches the zenith. Evaporation is rapid. There is less sunshine and less frost, and more wind, and, though not greater in volume, more rains than in the United Kingdom.

POSTAL, TELEGRAPHS, AND TELEPHONE.

The Postal Department developed the staff under its control by two lady assistants. The satisfactory progress made by the new institutions of the Imperial Penny Postage and revised Parcel Post rates deserves mention; indeed, the year was one of special work and special demands. Special attention was paid during the year to the improvement of postal facilities in the out districts; this led to the opening of a sub-post office on the West Island, where the requirements of trade demanded it, and where there was a suitable officer for the performance of the duties.

A continuous delivery of mail correspondence with the least possible expense was suggested during the year, but the project met with such little participation on the part of the public that the innovation was, for the time being, abandoned.

The money orders on the United Kingdom issued in the Colony amounted to £6,314 as against £4,677 in 1898, and the foreign money order transactions to £567 as against £239 in the previous year.

The sale of postage stamps increased from £816 to £1,025, and the parcel insurance from 200 to 268 rates on declared values of £2,200 and £3,304 respectively.

The postal revenue of 1899 amounted to £1,198 and the expenditure to £3,082. That of 1898 amounted to revenue £1,159 and expenditure £3,045.

The deficit arises from the subsidy of £2,500 per annum for the ocean mail service to and from the United Kingdom, which is wholly paid by the Colony.

The total number of articles of postal matter handled at the Post Offices amounted to 76,205 articles, or 18,855 posted and 57,350 delivered, as against 61,205 in 1898, or 15,866 posted and 45,339 delivered, details of which are shewn below:—

	Posted.			Delivered.			Internal.
	To United Kingdom.	To Other Places.	Total.	From United Kingdom.	From Other Places.	Total.	
Letters and post cards	11,600	3,000	14,600	17,000	4,200	21,200	2,200
Newspapers and book packets, &c. ...	1,500	500	2,000	30,000	2,750	32,750	1,250
Parcels	250	5	255	1,500	—	1,500	450
1899	13,350	3,505	16,855	48,500	6,950	55,450	3,900
1898	10,166	3,700	13,866	40,039	3,000	43,039	4,300

Telegraphic communications are received by post from Monte Video. There were no telephones in working order during the year.

MILITARY FORCES.

There have been no regular forces stationed in the Colony since the departure of the Royal Marines.

A volunteer rifle corps was raised in 1893. At the end of 1899 its total strength numbered 86. Forty-one members were returned as efficient during the year, and earned a total capitation grant of £82, which were credited to the funds of the corps. The remaining members were unable to attend drills at headquarters, by reason of their calling as shepherds and labourers on the farms scattered throughout the Colony, where depôts are, as yet, not organised.

CONCLUSION.

The year 1899 can be reckoned as a year of prosperity, and if the high prices of the staple products are maintained, the same prospects may be anticipated. All the available labour, which is wholly British, was fully employed, but until more capital and labour is introduced into the Colony it must be plain that its progress will be limited according to the means that are available for developing its resources. The trade of the Colony is advancing as the Colony and the neighbouring countries are being opened up, and the general security that the Falkland Islands afford will, it is hoped, constitute it the emporium of this part of the Atlantic.

The Colonial Secretary, Mr. F. Craigie-Halkett, left the Colony on leave of absence in May. Intelligence of his sudden death a few months afterwards was received with deep regret throughout the Colony.

The duties of that office devolved upon the Treasurer, Mr. C. W. Hill, whose post was filled by Mr. M. E. Wingfield, a temporary officer engaged from England.

With the death also of the Treasury Clerk, Mr. W. Coulson, the Government lost the valued services of its oldest servant, who had served the Colony in various capacities for over 30 years.

At one time the year seemed likely to mark a turning point in the history of the Colony. The task of the formation of a naval depôt was taken in hand early in the year, and the imperative necessity of looking where reforms ought to be best directed was already engaging earnest consideration. Capital and labour it was thought were both to be effected, and they beneficially. The fall of the year, however, proved that the project was then indeterminate.

FALKLAND ISLANDS, 1899.

Her Majesty's ships of the south-east coast of America squadron visited the Islands for some eight months of the year to undergo their musketry practice. The presence of the United States of America cruiser, "Badger," at the beginning of the year, served to call out a renewed expression of friendship and cordiality from all classes of the community, and gave ample evidence of the interest taken by the inhabitants of this remote Colony in events of external import and of the sympathies with which they are imbued.

No stronger proof of the loyalty and affection of the colonists can be given than the patriotic feeling aroused by the turn of events in South Africa, and the unbounded admiration of those who were making such a heroic stand in defence of the nation in that country towards the end of the year.

The Colony is to be congratulated on its social and general condition.

CHARLES W. HILL,

Acting Colonial Secretary.

Stanley, Falkland Islands,

22nd March, 1900.

LONDON:
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1900.

COLONIAL REPORTS—ANNUAL.

No. 334.

FALKLAND ISLANDS.

REPORT FOR 1900.

(For Report for 1899, *see* No. 291.)

Presented to both Houses of Parliament by Command of His Majesty
October, 1901.

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1901.

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COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
311	St. Lucia...	1899
312	St. Vincent	"
313	Basutoland	1899–1900
314	Hong Kong	1899
315	Southern Nigeria	1899–1900
316	Grenada	1899
317	Jamaica	1899–1900
318	British Guiana	"
319	Christmas Island	1900
320	British Solomon Islands	1899–1900
321	Lagos	1900
322	Bermuda...	"
323	St. Helena	"
324	Sierra Leone	"
325	Gambia	"
326	Barbados...	"
327	Bahamas...	"
328	Turks and Caicos Islands	"
329	Malta	"
330	Straits Settlements	"
331	Fiji	"
332	St. Lucia...	"
333	Seychelles	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand...	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas...	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific...	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla...	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas...	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.

No. 334.

FALKLAND ISLANDS.

(For Report for 1899, *see* No. 291.)

GOVERNOR GREY WILSON to MR. CHAMBERLAIN.

Government House,
Stanley,
16th August, 1901.

SIR,

I HAVE the honour to transmit the Blue Book of this Colony for the year 1900, together with the Colonial Secretary's Report thereon.

I have, &c.,

W. GREY WILSON,
Governor.

REPORT ON FALKLAND ISLANDS BLUE BOOK FOR THE YEAR 1900.

FINANCIAL.

The Revenue in 1900 amounted to £15,576, and the Expenditure to £15,502.

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FALKLAND ISLANDS, 1900.

2. The following are the details compared with the previous year:—

REVENUE.

—	1899.	1900.
	£	£
Customs	3,185	5,613
Port dues, &c.	253	152
Licences, &c.	578	671
Fees	556	512
Post office	1,198	832
Rents	4,953	4,995
Miscellaneous...	181	260
Interest on investments	2,315	2,475
Overpayments recovered	—	66
Totals	13,219	15,576

EXPENDITURE.

—	1899.	1900.
	£	£
Pensions	223	223
Governor	1,427	1,452
Colonial Secretary	1,344	1,239
Customs	145	98
Audit	20	17
Port and marine	258	149
Legal	334	427
Police	468	497
Carried forward	4,219	4,102

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EXPENDITURE—*continued.*

	1899.	1900.
	£	£
Brought forward	4,219	4,102
Prisons	236	309
Medical	621	601
Education	608	636
Ecclesiastical	467	455
Transport	83	314
Miscellaneous...	628	599
Post Office	3,077	2,991
Public Works...	1,485	1,743
Public Works Extraordinary	165	1,885
Colonial Engineer	797	784
Interest, Savings Bank	1,093	1,082
Drawbacks	—	1
Total	13,479	15,502

3. A comparative statement of the total Revenue and Expenditure for the past five years is appended:—

	1896.	1897.	1898.	1899.	1900.
	£	£	£	£	£
Revenue ...	12,358	12,969	13,039	13,219	15,576
Expenditure ...	13,569	13,636	14,278	13,479*	15,502
	— 1,211	— 667	— 1,239	— 260	+ 74

* The Expenditure was returned in the Report for 1899 at £13,314. A sum of £164 spent on Public Works Extraordinary seems, by some error, to have been omitted.

4. The revenue was the highest yet raised, exceeding that of the previous year by £2,357, and the average annual receipts of the five years 1896-1900 by £2,144.

ng company, inc.

FALKLAND ISLANDS, 1900.

Customs Duties, Port and Harbour Dues, and Licences realized £6,436, or £2,020 more than 1899. This gives an average raised by taxation of £3 13*s.* 2*d.* per head, as against £2 5*s.* 8*d.* in the previous year. The export tax on wool, sheep skins, &c., first imposed in 1899, produced during 1900 £1,038.

The Postal Revenue did not come up to the estimate. Under the new contract with the Pacific Steam Navigation Company, the subsidy is borne equally by the Colony and Imperial Government, and so the revenue which before was credited entirely to the Colony is now shared with the General Post Office.

5. The expenditure was greater by £2,023 than that of the previous year, and by £1,589 than the average of the five years 1896-1900, yet there was a small surplus of £74. The increased expenditure was due to Public Works Extraordinary, under which head appears the cost of the somewhat extensive and still uncompleted additions to Government House, amounting to £1,885, for which no provision was made in the Estimates.

ASSETS AND LIABILITIES.

6. The Assets on 31st December, 1900, were £75,510, the Liabilities £79,257, giving an excess of the latter amounting to £3,415.

7. The financial position of the Colony at the end of each of the last ten years is set forth in the Table sub-joined:—

Year.	Assets, Surplus of.	Assets, Deficiency of.
	£	£
1891	1,271	—
1892	1,610	—
1893	1,540	—
1894	1,041	—
1895	392	—
1896	—	1,043
1897	—	1,761
1898	—	2,918
1899	—	3,143
1900	—	3,415*

* Stores in hand ceased to be treated as an asset.

INVESTED FUNDS.

8. The invested funds during the five years 1896-1900 were as follows:—

Fund.	1896.	1897.	1898.	1899.	1900.
	£	£	£	£	£
Land Sales ...	16,933	18,504	20,304	23,046	24,283
Savings Bank ...	34,222	33,042	41,901	43,401	44,401
Intestate Estates	542	555	568	582	597
Surplus... ...	1,441*	2,893*	—	—	—
Notes	—	—	—	333	333
Totals ...	53,138	54,994	62,773	67,362	69,614

* There was actually a deficit, the Savings Bank being £6,400 short invested.

CURRENCY.

9. The introduction of the currency notes to which allusion was made in the Report for 1899 has continued to meet a long felt want. During the year £500 worth of £5, and £500 worth of £1 notes, were issued, making a total of £1,000 worth of each denomination in circulation.

A supply of 5*s*. notes, designed more particularly to meet the needs of the country districts, was ordered from England, but none were put into circulation during the year.

TRADE AND INDUSTRIES.

IMPORTS AND EXPORTS.

10. The value of imports was £66,948, and of exports £111,539. The imports show a decrease as compared with 1899 of £7,030, and the exports a decrease of £20,664.

FALKLAND ISLANDS, 1900.

11. The following are the details of the imports. Th Customs statistics have not hitherto been kept in the manne suggested in the Report of the Committee appointed to enquir into the compilation of import and export statistics in th Colonies, dated 23rd June, 1891, but an attempt has been mad in the subjoined table to so classify them. In the curren year, and in future, the recommendations of the Committee wil be followed.

Imports.

	1899.	1900.
	£	£
1. LIVE ANIMALS, FOOD AND DRINK, AND NARCOTICS.		
Aerated waters	—	60
Dip (for sheep)	1,448	455
Drugs	—	394
Fruit and vegetables...	349	4,861*
Groceries and general provisions	18,433	13,378
Live stock	2,536*	1,176
Malt liquors	2,128	3,700
Seeds	—	162
Spirits	4,001	5,188
Tobacco, cigars, &c.	2,141	1,808
Wine	462	1,360
Totals	31,498	32,542
2. RAW MATERIAL.		
(a) *Textile*	—	—
(b) *Metals and minerals.*		
Coal	4,207	3,696
(c) *Other*	—	—
Totals	4,207	3,696
Carried forward	35,705	36,238

* Includes fodder.

Imports—continued.

	1899.	1900.
	£	£
Brought forward	35,705	36,238
3. MANUFACTURED ARTICLES.		
(a) *Textile.*		
Ship chandlery*	5,681	4,381
Haberdashery...	3,765	1,679
Wearing apparel, boots and shoes, &c.	8,799	6,158
Totals	18,245	12,218
(b) *Metals and minerals.*		
Hardware and machinery	6,131	5,974
(c) *Other.*		
Furniture	1,484	1,176
Glass and earthenware	371	380
Timber and building material ...	5,113	3,324
Totals	6,968	4,880
4. COIN AND BULLION.		
Specie	1,630	1,700
Goods imported from Crown Agents and not classified.	—	1,298
Parcel Post...	2,534	3,265
Unenumerated	2,765	1,375
Grand Totals	73,978	66,948

* Includes fencing, bagging, &c., imported for the country districts.

FALKLAND ISLANDS, 1900.

12. The quantities of the staple products of the Colony exported in 1900 were as follows, as compared with the previous year:—

Exports.

—	1899.		1900.	
	Quantity.	Value.	Quantity.	Value.
Wool	Lbs. 4,823,458	£ 118,961	Lbs. 4,600,000	£ 95,833
Tallow	485,173	4,125	221,766	2,500
Sheepskins	No. 83,592	10,389	No. 41,000	4,202
Live stock	14,188	2,858	13,319	2,627
Hides	1,406	1,248	977	977
Sealskins	580	800	707	1,500
Hair, horns, bones	—	50	—	—
Totals	—	138,431	—	107,439

13. The totals of imports and exports for the five years 1896-1900 are as follows:—

—	1896.	1897.	1898.	1899.	1900.
Imports	£ 69,985	£ 63,286	£ 72,987	£ 73,978	£ 67,948
Exports	132,194	126,505	106,984	132,203	111,539
Totals ...	202,179	189,791	179,971	213,181	179,487

DIRECTION OF TRADE.

14. The United Kingdom is credited with nearly 90 per cent. of the imports and nearly 95 per cent. of the exports. The balance was distributed between Chile, Argentina, and Uruguay.

PASTORAL INDUSTRY.

15. There was no re-appearance of scab during the year. The estimated number of sheep on the farms is 778,026.

As compared with the previous year, there was a decrease in the estimated number of sheep amounting to about 1,885, due, the Chief Inspector of Stock reports, to the exportation from the West Falklands of cull ewes to Patagonia, and to the fact that the farmers on the East boiled down more sheep than usual. The lambing was most satisfactory, and was much better than was expected after the severe winter. The wool clip was also better than in the previous season, and farmers took more care with regard to selection and culling.

16. Some small patches of land were sown with grass seed with satisfactory results. The cocksfoot did well, especially on hard ground, and the Stock Inspector considers it a better grass, both for pasturage and stock, than the Italian rye, while the former will stand burning, which the latter will not.

17. The year was one of depression in the wool trade. After a rapid rise, prices suddenly fell, and are still falling. It is difficult to understand the cause of this state of things; probably it was due to over-speculation, and, perhaps, also to the immensely increased consumption of cotton, which can be grown so cheaply.

SHIPPING.

Flag.	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1899.	1900.	1899.	1900.	1899.	1900.	1899.	1900.	1899.	1900.	1899.	1900.
American	—	—	3	3	6,452	3,504	—	—	2	2	4,243	3,401
British	1	14	11	3	14,787	42,837	1	13	10	7	12,671	47,787
Chilian	9	5	7	7	3,386	2,373	9	5	7	5	3,356	1,725
Danish	—	—	1	—	947	—	—	—	—	1	—	947
Dutch	—	—	—	—	—	—	—	—	1	—	276	—
French	—	—	1	—	602	—	—	—	1	—	602	—
German	18	11	1	2	46,506	24,222	17	12	1	3	43,657	28,765
Norwegian	—	—	5	2	4,582	968	—	—	3	4	3,171	2,775
Italian	—	1	—	—	—	2,500	—	1	—	—	—	2,500
Totals	28	31	29	17	77,262	76,404	27	31	24	22	67,700	87,900

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666 FIFTH AVENUE,

19. The following is a comparative statement of the total shipping, inwards and outwards, for the five years 1896-1900:—

Year.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1896 ...	22	22	43	56,296	21	19	40	53,371
1897 ...	25	17	42	54,144	25	16	41	53,796
1898 ...	33	13	46	62,131	33	11	44	62,016
1899 ...	28	29	57	77,262	27	24	51	67,700
1900 ...	31	17	48	76,404	31	22	53	87,900

20. During the first half of the year, the mail service was carried out by the German Kosmos Company, of Hamburg; during the second by the Pacific Steam Navigation Company, with which a contract has been entered into by the Imperial Government. These steamers provide a four-weekly service, touching at Rio and Montevideo, and proceeding to Punta Arenas and Valparaiso, on the outward voyage, and *vice versâ*.

During the early part of the year, the islands were visited by H.M.S. Flora (Commodore Groome), H.M.S. Pegasus, and H.M.S. Swallow, and, in December, by H.M.S. Flora and H.M.S. Basilisk.

21. During the year six vessels put into the port in distress. Of these, three (two American and one British) required repairs owing to damage sustained from heavy weather off Cape Horn; one, a Chilian vessel, had a cargo of coke and sulphuric acid carried in iron drums. The acid had eaten through the drums, and had, consequently, all leaked out. The drums were packed in chalk, and the sulphuric acid acted chemically on this, forming carbonic acid gas. During the voyage the hatches blew off. Eventually, most of the acid remained at the bottom of the ship and damaged the iron frames so seriously that she could not continue her voyage. Another barque, a German, put in on account of an outbreak of beri-beri, to which disease four of the crew had succumbed. The last, a British ship, put in with cargo of coals heated.

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FALKLAND ISLANDS, 1900.

A steam tug, fitted with salvage pumps, was imported by the Falkland Islands Company to be in readiness to render assistance to disabled vessels.

LEGISLATION.

22. Six Ordinances were passed during the year. By Ordinance No. 1, of 16th January, the import duty on beer in cask was raised from 3*d.* to 4*d.* per gallon, and on beer in bottle from 6*d.* per dozen quarts and 3*d.* per dozen pints to 1*s.* and 6*d.* respectively. By Ordinance No. 6, of 24th December, the duty on beer in cask was further increased to 6*d.* per gallon, to equalise it with that on beer in bottle, and the duty on spirits was raised from 10*s.* to 12*s.* per gallon. The former Ordinance also imposed export duties as follows:—Wool, per pound, 1/20th of a penny; Sheep skins, each, ½*d.*; living sheep, each, ½*d.*; and hides, each, 3*d.*

A most useful Ordinance (No. 3, of 22nd May) was passed relating to the promulgation and construction of Ordinances, the law in force in the Colony, and certain general rules of law and procedure.

The law with regard to aliens, destitute immigrants, and the naturalization of foreign subjects was consolidated and amended (No. 5, of 27th July).

A Divorce Court was established in the Falkland Islands by Her Majesty's Order in Council of 28th November, 1899, and the Supreme Court has now jurisdiction to pronounce decrees of judicial separation and dissolution of marriage.

A Proclamation, of 16th August, prohibited the importation of cattle and sheep from South America on account of the prevalence there of animal disease, and a Proclamation, of 2nd October, declared that all alfalfa (pressed hay) imported from Argentina or Uruguay should be destroyed on landing, for the same reason.

EDUCATION.

23. The Government Senior and Infant Schools, and the Roman Catholic School in Stanley, were at work during the year, and the attendance was fairly well kept up.

The Falkland Islands Company maintains a School at Darwin, taught by Mr. A. Moir, M.A., a trained master. There is also an itinerant teacher.

On the West Islands, one Government itinerant teacher was at work all the year; a second teacher arrived in May and took up duty at once.

There is no doubt that the institution of these travelling masters has been of immense benefit to the children, and is much appreciated by the people.

SAVINGS BANK.

24. The capital of the bank still continues to increase. On 30th September, 1900, it was £44,401, as against £44,323 in the previous year. There were 351 depositors, giving an average of £126 10*s.* standing to the credit of each account, or about £22 per head of the population. The income earned by the bank during the year was £1,455, and the expenses incurred were £1,090, leaving a profit of £365.

The bank was established in 1888. At the end of 1889 there were 92 depositors, and the balance was £15,139. Since then the number of depositors and the balances have steadily increased.

PRISON STATISTICS.

25. There is little worth remarking upon under this head. Almost all the prisoners were received from Her Majesty's ships on charges of breaches of discipline, &c., or from merchant vessels on similar charges.

CRIMINAL STATISTICS.

26.

—	1896.	1897.	1898.	1899.	1900.
Number of offences reported to Police	40	53	46	38	61
Number of Summary Convictions—					
1. For offences against the person...	8	11	7	11	5
2. „ „ property	4	6	8	3	4
3. For other offences	14	27	28	24	47
Number of Supreme Court Convictions—					
1. For offences against the person...	—	—	—	1	1
2. „ „ property	—	2	—	—	—
3. For other offences	—	—	—	1	1
Number of Acquittals—					
1. In Inferior Courts	10	7	3	4	3
2. In Supreme Court	4	—	—	—	—

FALKLAND ISLANDS, 1900.

27. There was one murder during the year, the perpetrator of which was duly tried and convicted, and suffered the extreme penalty.

VITAL STATISTICS.

28. Sixty-one births and 16 deaths were registered during the year; six marriages were solemnized.

In 1891 the population was found, by census, to be 1,789; at the census taken on the 31st of March last, it was found to have risen to 2,043, an increase of 254, of which 222 represents the increase in the town of Stanley alone.

PUBLIC HEALTH.

29. From the Report of the Colonial Surgeon, it appears that the health of the Colony was very satisfactory, and there was an entire immunity from contagious or infectious disease.

Unfortunately, there is no hospital, but a project for the establishment of such an institution is under consideration.

The services of a trained nurse would also be of the greatest advantage, but the residents have not yet availed themselves of the facilities offered by the Colonial Nursing Association in this direction. It is to be hoped that the people will co-operate to supply this very obvious need in the near future.

CLIMATE.

30. There are, as was reported last year, hardly any materials on which to report on the climate of the Colony. Certain records are taken at the lighthouse for transmission to the Board of Trade. No copy of these for the first half of the year appears to have been retained. During the latter half the mean monthly temperature was as follows:—

July	34·95
August	38·45
September	41·32
October	43·47
November	44·38
December	44·26

RAINFALL.

Stanley, November	3·055
„ December	2·58

POSTAL, &c.

31. The revenue was £832, as against £1,198 in 1899 and £1,159 in 1898. The expenditure was £2,991 (including £2,500 subsidy), as against £3,082 in 1899 and £3,045 in 1898.

The money orders issued in the Colony on the United Kingdom amounted to £6,742, as against £6,314 in 1899 and £4,677 in 1898.

The sale of postage stamps fell off considerably. It amounted to only £536, as against £1,025 in 1899 and £816 in 1898.

Telegraphic communications are received by post from Montevideo.

The only telephone is one from the lighthouse to Stanley, seven miles. It had been out of order for years, but communication was re-established during the year under review, only, unfortunately, to be again soon interrupted. It is now under repair.

Postal Statistics.

—	Posted.			Delivered.			Internal.	Total.
	U.K.	Other places.	Total.	U.K.	Other places.	Total.		
Letters, Postcards	11,160	925	12,085	13,841	2,830	16,671	2,591	31,347
Newspapers, Books, &c.	150	50	200	33,461	2,000	35,461	300	35,961
Parcels ...	350	50	400	1,400	125	1,525	35	1,960
Total 1900	11,660	1,025	12,685	48,702	4,955	53,657	2,926	69,268
Total 1899	13,350	3,505	16,855	48,500	6,950	55,450	3,900	76,205
Total 1898	10,166	3,700	13,866	40,039	3,000	43,039	4,300	61,205

MILITARY.

33. The strength of the Volunteer Rifle Corps, the only local force, was, at the end of the year, three officers and 93 non-commissioned officers and men, an increase of ten. The Capitation Grant was £88. Owing to their occupations many of the

members cannot attend drills as often as is desirable. Their shooting is, generally, good. The Corps would be more popular if it had a recreation room of its own, and if more prizes were offered for competition at the range.

The range itself is very badly placed. It is hoped that if the naval range is transferred to the other side of the harbour, as has been suggested, the volunteers may acquire the present naval range.

34. A beginning was made during the year on the new naval coaling depôt, on the north side of the harbour, under the superintendence of Mr. G. P. Hayes, C.E., of the Admiralty. For this work it has been necessary to import labour, the existing supply being insufficient, or inefficient, or both, and some 100 labourers were brought from Argentina, all Italians or Austrians.

GENERAL.

35. The year may be said, generally, to have been fairly prosperous, except for the fall in the price of the staple product of the country—wool. The price of labour ruled high, perhaps higher than it should, and the large savings bank deposits and money order remittances testify to the well-being of the people.

36. The rates of wages are about as follows:—

Shepherds—£60 to £72 a year, with free lodging, horses, and mutton.
Labourers—£6 to £7 a month, or, if on daily pay, 8*d.* an hour and 1*s.* an hour.
Boys in training—£3 to £5 a month.
Shearers—15*s.* per 100 sheep.
Shipwrights—1*s.* an hour, and 16*s.* 4*d.* a day for shipwork.
Joiners—1*s.* an hour, and 16*s.* 4*d.* a day for shipwork.
Blacksmiths—1*s.* an hour, and 16*s* 4*d.* a day for shipwork.
Sailmakers—1*s.* an hour, and 10*s.* a day for shipwork.
Stonemasons—1*s.* an hour, and 10*s.* a day for shipwork.
Mariners on Coasting Trade—£5 a month.
Domestic Servants—30*s.* to 40*s.* a month.

37. The labour market cannot be said to be over-stocked, and the Admiralty have found it necessary to import Italian labourers from Argentina for work on the coaling depôt. Some owners of property also import Italian labour, on short contracts, for sheep-shearing.

Families do not settle here to the extent they used to do, and men migrate to Patagonia, where there is a greater field.

38. The prices of produce are about as follows:—

Horses	...	...	...	£5 to £20.
Cattle	...	...	...	£1 to £5.
Sheep	...	...	...	4*s.* to 7*s.*
Wool	...	...	...	4*d.* to 6*d.*

39. The average prices of the main articles of consumption are:—

Wheaton Flour, per bag of 100 lbs.—18*s.*
Wheaten Bread, per lb.—2½*d.*
Milk, fresh, per quart—8*d.* to 1*s.* (The supply is limited.
Butter, per lb.—2*s.* 3*d.* to 2*s.* 6*d.*
Beef, per lb.—5*d.*
Mutton, per lb.—2*d.*
All other articles from 50 per cent. to 100 per cent. above English prices.

40. The town of Stanley is over-populated, but there is little attempt to build new houses. At the moment of writing, there is not a house available for love or money. Building should prove a remunerative investment.

41. Were there more houses and a good hotel, and if the Pacific Company could be induced to lower their rates of passage money between the Colony and Montevideo, it is probable that many residents of the latter place, or of Buenos Aires, would visit Stanley in the summer months for health purposes. The fares are, at present, First Class, £14 to £16; return, a fare and a half. Second Class, £10; return, double fare; and the voyage only takes four days.

W. HART BENNETT,
Colonial Secretary.

Stanley,
Falkland Islands,
1st August, 1901.

LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
BY DARLING & SON, LTD., 34-40, BACON STREET, E.

1901.

COLONIAL REPORTS—ANNUAL.

No. 356.

FALKLAND ISLANDS.

REPORT FOR 1901.

(For Report for 1900, *see* No. 334.)

Presented to both Houses of Parliament by Command of His Majesty
July, 1902.

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COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
330	Straits Settlements	1900
331	Fiji	,,
332	St. Lucia	,,
333	Seychelles	,,
334	Falkland Islands	,,
335	Mauritius and Rodrigues	,,
336	British New Guinea	1899–1900
337	Leeward Islands	1900
338	Trinidad and Tobago	,,
339	British Honduras	,,
340	Hong Kong	,,
341	Ceylon	,,
342	Gibraltar	,,
343	Basutoland	1900–1901
344	Gold Coast	1900
345	Grenada	,,
346	Northern Nigeria	1900–1901
347	British Solomon Islands	,,
348	Lagos	1900
349	British Guiana	1900–1901
350	St. Vincent	1900
351	Jamaica	1900–1901
352	Cocos Islands	1901
353	Southern Nigeria	1900
354	Bermuda	1901
355	Gambia	,,

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies ...	Medical Reports.

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No. 356.

FALKLAND ISLANDS, 1901.

FALKLAND ISLANDS.

(For Report for 1900, *see* No. 334.)

ACTING GOVERNOR BENNETT to MR. CHAMBERLAIN.

Government House,
Stanley,
22nd May, 1902.

SIR,

I HAVE the honour to transmit my Report on the Blue Book for the year ended 31st December, 1901.

I have, &c.,
W. HART BENNETT,
Administrator.

12150—875—6/1902 Wt 28616 D & S—5

FALKLAND ISLANDS, 1901.

REPORT ON FALKLAND ISLANDS BLUE BOOK FOR THE YEAR 1901.

I.—FINANCIAL.

REVENUE AND EXPENDITURE.

1. The revenue in 1901 was £15,476, and the expenditure £17,639.

2. The following are the details compared with 1900:—

REVENUE.

—	1900.	1901.
	£	£
Customs	5,613	5,663
Port dues, &c.	152	95
Licences, &c.	671	519
Fees	512	487
Post office	832	1,136
Rents	4,995	4,990
Miscellaneous...	260	235
Interest on investments	2,475	2,351
Totals	15,510*	15,476

* These figures differ from those given in the report for 1900 as a sum of £66—overpayments recovered—has been struck out.

EXPENDITURE.

—	1900.	1901.
	£	£
Pensions	223	223
Governor	1,452	1,467
Colonial Secretary	1,239	1,356
Carried forward	2,914	3,046

EXPENDITURE—*continued.*

	1900.	1901.
	£	£
Brought forward	2,914	3,046
Customs	98	25
Audit	17	15
Port and Marine	149	128
Legal	427	376
Police	309	255
Medical	601	593
Education	632*	636
Ecclesiastical	455	469
Transport	314	465
Miscellaneous...	588*	701
Post Office	2,991	4,267
Public Works...	1,691*	1,916
Public Works Extraordinary	1,885	2,273
Colonial Engineer	784	660
Interest, &c., Savings Bank...	1,082	1,156
Drawbacks	1	62
Total	15,435*	17,639

3. A comparative statement of the total revenue and expenditure for the last five years is subjoined:—

	1897.	1898.	1899.	1900.	1901.
	£	£	£	£	£
Revenue ...	12,969	13,039	13,219	15,510	15,476
Expenditure ...	13,636	14,278	13,479†	15,435	17,639
	— 667	— 1,239	— 260	+ 75	— 2,163

* These figures differ from those given in the report for 1900 as a sum of £66 overpayments recovered has been deducted from the Expenditure under the proper subheads.

† Erroneously returned in Report for 1899 at £13,314.

FALKLAND ISLANDS, 1901.

4. The revenue in 1900 was the highest yet raised; that in 1901 was only £34 less, and exceeded the average annual receipts of the five years, 1897-1901, by a sum of £1,423.

Customs duties, port and harbour dues, and licences realized £6,277, or £159 less than in 1900. This gives an average raised by taxation of £3 1*s.* 6*d.* per head, as against £3 13*s.* 2*d.* in the previous year. The export tax on wool, sheep-skins, &c., first imposed in 1899, produced during 1901 £1,116, or £78 more than in 1900.

The postal revenue was £1,137, or £119 less than the estimate, as against £832 in 1900.

5. The expenditure was greater by £2,204 than that of 1900, and by £2,826 than the annual average of the five years, 1897-1901. The increased expenditure was due mainly to Public Works Extraordinary, under which head appears the cost of the uncompleted additions to Government House, amounting to £2,273, for which only £1,200 was provided in the estimates, and to Post Office, the payment of the subsidy of £1,250 for the latter half of the year having been made before the close of the year, instead of, as heretofore, six months later.

ASSETS AND LIABILITIES.

6. The assets on 31st December, 1901, were £75,637, and the liabilities £79,863, giving an excess of the latter amounting to £4,226.

7. The financial position of the Colony at the end of the last ten years is set forth in the following table:—

Year.	Assets, Surplus of.	Liabilities, Surplus of.
	£	£
1892	1,610	—
1893	1,540	—
1894	1,041	—
1895	392	—
1896	—	1,043
1897	—	1,761
1898	—	2,918
1899	—	3,143
1900	—	3,415*
1901	—	4,226

* Stores in hand ceased to be treated as an asset.

INVESTED FUNDS.

8. The invested funds during the five years, 1897-1901, were as follows:—

Fund.	1897.	1898.	1899.	1900.	1901.
	£	£	£	£	£
Land Sales ...	18,504	20,304	23,046	24,283	26,407
Savings Bank ...	33,042	41,901	43,401	44,401	46,744
Intestate Estates	555	568	582	597	560
Surplus... ...	2,893*	—	—	—	—
Notes	—	—	333	333	1,600
Totals ...	54,994	62,773	67,362	69,614	75,311

* There was actually a deficit, the Savings Bank being £6,400 short invested.

CURRENCY.

9. The result of the issue of currency notes justifies their introduction. During the year £500 worth of £5, and £500 worth of £1 notes were issued, making a total of £1,500 worth of each denomination in circulation.

Some five-shilling notes, designed to meet the wants of the country districts, were put into circulation, but they do not find favour among the people, and quickly return to the Treasury.

II.—TRADE AND INDUSTRIES.

IMPORTS AND EXPORTS.

10. The value of imports was £74,765, and of exports £108,294, not including £2,000 specie. The former shows an increase, as compared with 1900, of £7,817, and the latter a decrease of £3,245.

11. The following are the details of the imports:—

Imports.

	1900.	1901.
	£	£
1. LIVE ANIMALS, FOOD AND DRINK, AND NARCOTICS.		
Aerated waters	60	285
Dip (for sheep)	455	—
Carried forward	515	285

Imports—continued.

	1900.	1901.
	£	£
Brought forward	515	285
Drugs	394	452
Fodder, corn, hay, &c.	—*	2,154
Fruit and vegetables...	4,861	1,479
Groceries, &c....	13,378	15,961
Live stock	1,176	486
Malt liquor	3,700	2,789
Seeds	162	—
Spirits	5,188	3,286
Tobacco, cigars, &c.	1,808	2,510
Wine	1,360	467
Totals	32,542	29,869
2. RAW MATERIALS.		
(a) *Textile*	—	—
(b) *Metals and minerals.*		
Coal	3,696	4,404
(c) *Other*	—	—
Totals	3,696	4,404
MANUFACTURED ARTICLES.		
(a) *Textile.*		
Ship chandlery†	4,381	788
Haberdashery...	1,679	3,376
Wearing apparel, boots and shoes, &c.	6,158	9,157
Totals	12.218	13,321
(b) *Metals and minerals.*		
Hardware and machinery	5,974	8,680
Carried forward	54,430	56,274

* Included in fruit, &c.

† Includes bagging, &c., imported for country districts.

Imports—continued.

	1900.	1901.
	£	£
Brought forward	54,430	56,274
(c) *Other.*		
Furniture	1,176	1,731
Glass and earthenware	380	861
Timber and building material ...	3,324	8,462
Totals	4,880	11,054
4. COIN AND BULLION.		
Specie	1,700	—
Goods imported from Crown Agents and not classified.	1,298	1,733
Parcels Post	3,265	4,112
Unenumerated	1,375	1,592
Grand Totals	66,948	74,765

12. The quantities and value of the staple products of the Colony exported in 1901 were as follows, as compared with the previous year:—

Exports.

	1900.		1901.	
	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£
Wool*	4,341,180	95,833	4,373,340	89,029
Tallow	221,766	2,500	560,000	4,666
	No.		No.	
Sheepskins†	46,494	4,202	95,410	9,366
Live stock	13,319	2,627	202	100
Hides	977	977	403	350
Sealskins	707	1,500	900	1,800
Totals	—	107,639	—	105,311

* Incorrectly given in Report for 1900 as 4,600,000.
† Ditto ditto 41,000.

13. The totals of imports and exports for the five years, 1897-1901, are as follows:—

—	1897.	1898.	1899.	1900.	1901.
	£	£	£	£	£
Imports... ...	63,286	72,987	73,978	66,948	74,765
Exports... ...	126,505	106,984	132,203	111,539	110,294*
Totals ...	189,791	179,971	213,181	178,487	185,059

* Including £2,000 specie.

DIRECTION OF TRADE.

14. The United Kingdom is credited with 90·5 per cent. of the imports, and nearly all the exports. The balance was distributed between Chile, Argentina, and Uruguay.

PASTORAL INDUSTRY.

15. There was no appearance of scab during the year.

16. The estimated number of sheep on the farms was 762,357, a decrease on 1900 of about 1,699, due, the Stock Inspector reports, to the exportation of rams to Patagonia and to boiling down. The lambing was again most satisfactory, the average being about 70 per cent. The wool clip was better than in the previous season, and farmers took more care with regard to selection and culling. The year was, however, one of continued depression in the wool trade, and prices in the English market were very low.

17. The grass-seed growing experiments were not so satisfactory as they might have been, owing, the Stock Inspector thinks, to want of interest on the part of many of the farmers.

SHIPPING.

18. The following are the shipping statistics:—

Flag.	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1900.	1901.	1900.	1901.	1900.	1901.	1900.	1901.	1900.	1901.	1900.	1901.
American	—	—	3	—	3,504	—	—	—	2	—	3,401	—
British	14	30	3	3	42,837	92,095	13	30	7	3	47,787	92,095
Chilian	5	—	7	3	2,373	372	5	—	5	2	1,725	228
Danish	—	—	—	—	—	—	—	—	1	—	947	—
French	—	—	—	2	—	3,307	—	—	—	1	—	1,731
German	11	1	2	—	24,222	168	12	1	3	—	28,765	168
Norwegian	—	2	2	2	968	1,378	—	1	4	2	2,775	1,203
Italian	1	—	—	—	2,500	—	1	—	—	—	2,500	—
Russian	—	—	—	1	—	558	—	—	—	1	—	558
Totals	31	33	17	11	76,404	97,878	31	32	22	9	87,900	96,011

FALKLAND ISLANDS, 1901.

19. The following is a comparative statement of the total shipping, inwards and outwards, for the five years, 1897-1901:—

Year.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1897 ...	25	17	42	54,144	25	16	41	53,796
1898 ...	33	13	46	62,131	33	11	44	62,016
1899 ...	28	29	57	77,262	27	24	51	67,700
1900 ...	31	17	48	76,404	31	22	53	87,900
1901 ...	33	11	44	97,878	32	9	41	96,011

20. The mail service is carried out by the Pacific Steam Navigation Company, with which a contract was made by the Imperial Government in 1900. These steamers provide a four-weekly service from Liverpool, touching at Rio de Janeiro and Montevideo, and proceeding to Punta Arenas and Valparaiso, on the outward voyage, and *vice versa*. The increase in the total tonnage is due to these steamers being larger than those of the Kosmos Line which previously carried the mails.

21. The Norwegian steamship "Antarctic" called at Port Stanley on her way to the antarctic regions on a voyage of discovery. She landed her exploring party, under Professor Nordenskiold, at the winter station and returned to Stanley, leaving again, on 1st January, 1902, for South Georgia.

During the year the Islands were visited by H.M.S. "Flora" (Commodore Groome), and by H.M.S. "Sappho," "Basilisk," and "Nymphe," of the South-east Coast of South America Squadron, also by the U.S. cruiser "Atlanta."

22. The following were the shipping casualties during the year:—

A French ship with a cargo of nickel ore from New Caledonia for Glasgow put in in a leaky condition. She had met with heavy weather, and her cargo had shifted. She was fitted with a more powerful pump, and 1,500 tons of cargo were discharged and ultimately taken to its destination by another steamer.

The British barquentine "Thetis" sailed for Salvadore on 27th July, and was lost, on or about 3rd August, in one of the heaviest gales known for many years past. All lives were lost.

Another French ship with coal from Shields for Chile put in in October badly on fire. She had to be practically sunk, and was afterwards floated and anchored in a position of safety.

III.—LEGISLATION.

23. Ten Ordinances were passed during the year.

A useful Summary Jurisdiction Ordinance (No. 2) was passed attempting to codify the many Ordinances on the subject. The Ordinance is in course of revision and amplification.

The various Scab Ordinances were consolidated (No. 6) under the short title of "The Live Stock Ordinance."

Certain important alterations were made in the Licensing Ordinance by No. 8 of 1901, and the Probate and Unrepresented Estates Ordinance were consolidated in No. 9 of 1901. This Ordinance contains two important alterations:—one, that a will partly written and partly printed may be used; the other, that real estate passing on a death is, as in the United Kingdom, to be charged with duty in the Falklands.

IV.--EDUCATION.

24. The Government Senior and Infant Schools, and the Roman Catholic School in Stanley were open all the year, and the attendance was well kept up.

The Falkland Islands Company continued to maintain their School at Darwin.

On the West Falkland two Government Travelling Masters were at work most of the year, and the question of appointing a Travelling Master for the North Camps of the East Falkland is under consideration.

V.—GOVERNMENT INSTITUTIONS.

SAVINGS BANK.

25. On the 30th September, 1901 (the end of the Bank year), the capital was £50,236, as against £44,401 on 30th September, 1900. There were 379 depositors, giving an average of £132 11*s.* standing to the credit of each account, or about £24 11*s.* 9*d.* per head of the population.

The income earned by the Bank during the year was £1,472, and the expenses incurred £1,170, leaving a profit of £302.

The Bank, which was established in 1888, had, on 30th September, 1889, 92 depositors, and a balance of £15,139.

VI.—JUDICIAL STATISTICS.

PRISON STATISTICS.

26. Nearly all the few prisoners were, as usual, received from His Majesty's ships or merchant vessels on charges of discipline, &c.

CRIMINAL STATISTICS.

27. The following table summarizes the criminal statistics for five years:—

—	1897.	1898.	1899.	1900.	1901.
Number of offences reported to Police	53	46	38	61	34
Number of Summary Convictions—					
1. For offences against the person...	11	7	11	5	5
2. „ „ property	6	8	3	4	3
3. For other offences	27	28	24	47	22
Number of Supreme Court Convictions—					
1. For offences against the person...	—	—	1	1	1
2. „ „ property	2	—	—	—	—
3. For other offences	—	—	1	1	—
Number of Acquittals—					
1. In Inferior Courts	7	3	4	3	3
2. In Supreme Court	—	—	—	—	—

VII.—VITAL STATISTICS.

28. Sixty-eight births and fifteen deaths (not including eleven drowned) were registered during the year.

In 1891, the population was 1,789; in 1901, 2,043; an increase of 254, of which 222 represents the increase in the town of Stanley alone. The estimated population on 31st December, 1901, was 2,076.

The birth-rate per 1,000 was 33·28; the death-rate was 7·34.

PUBLIC HEALTH.

29. The Colonial Surgeon reports the health of the Colony to be very satisfactory, and there was no infectious or contagious disease.

There is no hospital, but it is understood that the Admiralty have under consideration the question of the establishment of such an institution.

The trained nurse, to whom allusion was made in the report for 1900, arrived after the close of the year with which this report deals.

CLIMATE.

30. There are still but scanty statistics available. The following mean monthly readings are taken from the records kept at Cape Pembroke Lighthouse:—

January	54·5
February	55·2
March	55·9
April	48·7
May	46·3
June	41·7
July	39·2
August	43·2
September	46·2
October	50·6
November	54·4
December	55·5

A comet of peculiar brilliancy was visible for a considerable period in August.

VIII.—POSTAL SERVICE.

31. The revenue was £1,137, as against £832 in 1900. The expenditure was £4,267 (including £3,866, mail subsidy, *see* par. 5), as against £2,901 in 1900.

The money orders issued in the Colony on the United Kingdom amounted to £9,870, as against £6,742 in 1900.

The sale of postage stamps realized £907, as against £536 in 1900.

FALKLAND ISLANDS, 1901.

Telegraphic communications are received by post from Montevideo.

The telephone from Stanley to the lighthouse was in working order during the latter part of the year.

32. The following are the postal statistics:—

POSTAL STATISTICS.

—	Posted.			Delivered.			Internal.	Total.
	U.K.	Other places.	Total.	U.K.	Other places.	Total.		
Letters, Postcards	10,423	5,928	16,351	14,644	2,813	17,457	750	34,558
Newspapers, Books, &c.	1,234	707	1,941	30,129	1,241	31,370	—	33,311
Parcels ...	224	5	229	2,188	—	2,188	—	2,417
Total 1901	11,881	6,640	18,521	46,961	4,054	51,015	750	70,286
Total 1900	11,660	1,025	12,685	48,702	4,955	53,657	2,926	69,268

IX.—NAVAL AND MILITARY.

33. The volunteer rifle corps numbered three officers and 97 non-commissioned officers and men, the capitation grant earned was £100. The corps made considerable strides in numbers and efficiency under the able instruction of Sergeant-major Watt, who arrived from England in the early part of the year. On account of their occupations many men cannot attend drills as often as is desirable. Their shooting is generally good, and during the year the War Office presented the corps with two 2·5 field guns and 100 Lee-Enfield rifles, in place of the old Martini-Henrys.

A recreation room and canteen, the need for which was pointed out in my report for 1900, has now been established.

The range is very badly placed, but the Admiralty have kindly agreed to hand the present naval range over to the Colonial Government when the new one is completed.

34. Work was actively continued on the naval coaling depôt under the superintendence of Mr. Geo. P. Hayes of the Admiralty.

X.—GENERAL.

35. The year was fairly prosperous, except for the continued low price of wool. The very large Savings Bank deposits and money order remittances testify to the general well-being of the people.

36. The rate of wages are about as follows:—

Shepherds—£60 to £72 a year, with free lodging, horse, and mutton.

Labourers—£6 to £7 a month, or, if on daily pay, 8*d.* an hour, and 1*s.* an hour overtime.

Boys in training—£3 to £5 a month.

Shearers—15*s.* per 100 sheep.

Shipwrights—1*s.* an hour; 16*s.* 4*d.* a day for ship work.

Joiners—1*s.* an hour; 16*s.* 4*d.* a day for ship work.

Blacksmiths—1*s.* an hour; 10*s.* a day for ship work.

Stonemasons—1*s.* an hour; 10*s.* a day for ship work.

Mariners, on coasting trade—£5 a month.

Domestic servants—30*s.* to 40*s.* a month.

37. The labour market cannot be said to be over-stocked, and the Admiralty import Italian and Austrian labourers from Argentina for work on the naval depôt. Some farmers also import Italian shearers on contract work.

38. The prices of stock and produce are about as follows:—

Horses—£5 to £20; average £14.

Cattle—£1 to £5; average £2.

Sheep—4*s.* to 7*s.*; average 5*s.*

Wool—4*d.* to 6*d.*

39. The average prices for main articles of consumption are:—

Wheaten Flour—Per bag of 100 lbs., 18*s.*

Wheaten Bread—Per lb., 2½*d.*

Milk, fresh—Per quart, 8*d.* to 1*s.* (the supply is limited).

Butter—Per lb., 2*s.* 3*d.* to 2*s.* 6*d.*

Beef—Per lb., 5*d.*

Mutton—Per lb., 2*d.*

All other articles from 50 per cent. to 100 per cent. above English prices.

40. Were there more houses and a good hotel in Stanle
if the Pacific Company could be induced to lower thei
of passage money between the Colony and Montevideo
probable that many residents of the latter place, or of
Aires, would visit Stanley in the summer months as a
resort. The fares are at present—first class, £14 to £16; r
a fare and a half; second class, £10; return, double fare
the voyage only takes four days.

W. HART BENNETT,

Administra

Government House, Stanley,

Falkland Islands, 22nd May, 1902.

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COLONIAL REPORTS—ANNUAL.

No. 386.

FALKLAND ISLANDS.

REPORT FOR 1902.

(For Report for 1901, *see* No. 356.)

Presented to both Houses of Parliament by Command of His Majesty.

June, 1903.

LONDON
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
By DARLING & SON, Ltd., 34-40, Bacon Street, E.

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EYRE & SPOTTISWOODE, East Harding Street, Fleet Street, E.C.,
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1903.

[Cd. 1388-10.] *Price* 1*d.*

COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
363	Turks and Caicos Islands	1901
364	Seychelles	"
365	Bahamas...	1901–1902
366	Fiji	1901
367	Ceylon	"
368	Barbados	1901–1902
369	Hong Kong	1901
370	Cocos Islands	1902
371	St. Helena	1901
372	British Solomon Islands	1901–1902
373	Jamaica	"
374	Leeward Islands	"
375	Gold Coast	1901
376	Grenada	"
377	Northern Nigeria	"
378	British Guiana	1901–1902
379	Mauritius	1901
380	Basutoland	1901–1902
381	Southern Nigeria	1901
382	Trinidad and Tobago	1901–1902
383	Bermuda...	1902
384	St Lucia...	1901
385	St. Vincent	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand...	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas...	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific...	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla...	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas...	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies ...	Medical Reports.
20	Wei-Hai-Wei	General Report.
21	Dominica	Report on Caribs.

No. 386.

FALKLAND ISLANDS.

(For Report for 1901, *see* No. 356)

GOVERNOR GREY WILSON to MR. CHAMBERLAIN.

Government House,
Stanley,
7th April, 1903.

SIR,

I HAVE the honour to transmit to you two copies of the Statistical Blue Book of this Colony for the year 1902, and the Colonial Secretary's Annual Report.

I have, &c.,
W. GREY WILSON,
Governor.

---

875 Wt 21109 6/1903 D & S 5 14860

REPORT ON FALKLAND ISLANDS BLUE BOOK FOR 1902.

I.—FINANCIAL.

Revenue and Expenditure.

1. The Revenue in 1902 was £16,070, and the Expenditure £14,789.

2. The following are the details compared with 1901:—

Revenue.

—	1901.	1902.
	£	£
Customs	5,663	5,724
Port Dues, &c.	95	115
Licences, &c.	519	607
Fees, Fines &c.	487	925
Post Office	1,136	1,211
Rents	4,990	4,752
Miscellaneous...	235	333
Interest on Investments	2,351	2,403
Totals	15,476	16,070

Expenditure.

—	1901.	1902.
	£	£
Pensions	223	223
Governor	1,467	1,487
Colonial Secretary	1,356	1,311
Customs	25	83
Audit	15	15
Port and Marine	128	224
Legal	376	303
Police	596*	548
Prisons	255*	204
Medical	593	623
Education	636	700
Ecclesiastical	469	472
Transport	465	320
Miscellaneous...	701	873
Post Office	4,267	3,091
Colonial Engineer	660	377
Public Works...	1,916	1,486
Public Works Extraordinary	2,273	1,180
Interest, &c., Savings Bank...	1,155	1,182
Drawbacks and Refunds	62	87
Totals	17,639	14,789

* By printer's error returned in report for 1901 at "Police £255."

A comparative statement of the Revenue and Expenditure is subjoined:—

——	1898.	1899.	1900.	1901.	1902.
	£	£	£	£	£
Revenue ...	13,039	13,219	15,510	15,476	16,070
Expenditure ...	14,278	13,479*	15,435	17,639	14,789
Totals ...	—1,239	—260	+75	—1,263	+1,281

* Erroneously returned in Report for 1899 at £13,314.

4. The Revenue in 1902 was the highest yet raised, and exceeded the average annual receipts of the five years 1898-1902 by £1,407.

Customs duties, port and harbour dues, and licences realized £6,446, or £169 more than in 1901. This gives an average raised by taxation of £3 3*s.* 1*d.* per head, as against £3 1*s.* 6*d.* in the previous year. The export tax on wool, sheepskins, &c. (first imposed in 1899) produced during 1902 £1,144, or £28 more than in 1901.

The postal revenue was £1,211, or £75 more than in 1901 and £306 more than the estimate. This is the highest revenue yet raised both before and after the introduction of penny postage.

The Expenditure was less by £2,849 than that of 1901, and by £334 than the annual average of the five years 1898-1902.

Assets and Liabilities.

6. The assets on 31st December, 1902, were £82,758 11*s.*, and the liabilities £85,510 12*s.* 4*d.*, giving an excess of the latter amounting to £2,752 1*s.* 4*d.*

7. The financial position of the Colony for the last ten years is set forth in the following table:—

Year.	Assets, Surplus of.	Liabilities, Surplus of.
	£	£
1893	1,540	—
1894	1,041	—
1895	392	—
1896	—	1,043
1897	—	1,761
1898	—	2,918
1899	—	3,143
1900	—	3,415*
1901	—	4,226
1902	—	2 752

* Stores in hand ceased to be treated as an asset.

Invested Funds.

8. The invested funds during the five years 1898-1902 were:—

Fund.	1898.	1899.	1900.	1901.	1902.
	£	£	£	£	£
Land Sales ...	20,304	23,046	24,283	26,407	27,856
Savings Bank ...	41,901	43,401	44,401	46,744	48,386°
Intestate Estates	568	582	597	560	575
Notes	—	333	333	1,600	2,678
Totals ...	62,773	67,362	69,614	75,311	79,195

° And £2,000 in hands of Crown Agents for investment.

Currency.

9. During the year £500 worth of £5 notes were issued, making a total of £5,000 worth of notes of all denominations in circulation.

There is a cash reserve in the Treasury of £2,500, being 50 per cent. of the amount of notes in circulation.

II.—TRADE AND INDUSTRIES.

Imports and Exports.

10. The value of the imports was £63,851, and of exports £90,838, as compared with £74,765 and £108,294 in 1901.

11. The following are the details of the imports:—

Imports.

—	1901.	1902.
	£	£
1. Live Animals, Food and Drink, and Narcotics:—		
Aerated waters	285	298
Drugs, &c.	452	1,463
Fodder, corn, hay, &c.	2,154	1,926
Fruit and vegetables...	1,479	1,038
Carried forward	4,370	4,725

Imports—continued.

——	1901.	1902.
	£	£
Brought forward	4,370	4,725
1. LIVE ANIMALS, FOOD AND DRINK, AND NARCOTICS—*cont.*		
Groceries, &c.	15,961	15,090
Live stock	486	932
Malt liquor	2,789	2,492
Seeds	—	—
Spirits	3,286	4,152
Tobacco, cigars, &c.	2,510	3,201
Wine	467	740
Totals	29,869	31,332
2. RAW MATERIALS :—		
(a) *Textile*	—	—
(b) *Metals and minerals*—		
Coal	4,404	4,409
Other	—	288
(c) *Other*	—	—
Totals	4,404	4,697
3. MANUFACTURED ARTICLES :—		
(a) *Textile*—		
Ship chandlery*	788	2,380
Haberdashery...	3,376	4,577
Wearing apparel, &c.	9,157	7,144
Totals	13,321	14,101
(b) *Metals and minerals*—		
Hardware, &c....	8,680	5,167
(c) *Other*—		
Furniture	1,731	1,700
Glass and earthenware	861	436
Timber and building material ...	8,462	6,418
Totals	11,054	8,554
4. COIN AND BULLION :—		
Specie	—	—
Goods imported through Crown Agents and not otherwise classified.	1,733	Included in previous figures.
Parcels Post	4,112	
Unenumerated	1,592	
Grand Totals	74,765	63,851

* Includes bagging and fencing imported for country districts.

12. The quantities and values of the staple products of the Colony exported in 1902 were as follows, as compared with 1901:—

Exports.

—	1901.		1902.	
	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£
Wool	4,373,340	89,029	4,360,260	72,671
Tallow	560,000	4,666	679,728	6,372
	No.		No.	
Sheepskins	95,410	9,366	106,044	10,604
Live stock	202	100	—	—
Hides	406	350	1,182	1,065
Sealskins	900	1,800	93	186
Totals	—	105,311	—	90,838

13. The total of imports and exports for the five years 1898-1902 are as follows:—

—	1898.	1899.	1900.	1901.	1902.
	£	£	£	£	£
Imports	72,987	73,978	66,948	74,765	63,851
Exports	106,984	132,203	111,539	110,294	90,838*
Totals ...	179,971	213,181	178,487	185,059	164,689

* Includes £2,000 specie.

Direction of Trade.

14. The United Kingdom is credited with nearly all the imports and exports. The balance was distributed between Chili, Argentina, Uruguay, and New Zealand.

Pastoral Industry.

15. There was no re-appearance of scab.

The estimated number of sheep on the farms was 713,934, against 762,357 in 1901, and the lambing did not much exceed 55 per cent., an average being about 70 per cent. The Stock Inspector's report for the year is annexed.

SHIPPING.

16. The following are the shipping statistics:—

—	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1901.	1902.	1901.	1902.	1901.	1902.	1901.	1902.	1901.	1902.	1901.	1902.
British	30	30	3	9	92,095	96,365	30	30	3	11	92,095	96,496
Chilian	—	—	3	2	372	248	—	—	2	3	228	372
French	—	—	2	—	3,307	—	—	—	1	1	1,731	1,576
German	1	—	—	—	168	—	1	—	—	—	168	—
Norwegian	2	2	2	3	1,378	3,515	1	2	2	4	1,203	4,074
Russian	—	—	1	—	558	—	—	—	1	—	558	—
Totals	33	32	11	14	97,878	100,128	32	32	9	19	96,011	102,518

17. The following is a comparative statement of the total shipping inwards and outwards for the five years 1898-1902:—

Year.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1898 ...	33	13	46	62,131	33	11	44	62,016
1899 ...	28	29	57	77,262	27	24	51	67,700
1900 ...	31	17	48	76,404	31	22	53	87,900
1901 ...	33	11	44	97,878	32	9	41	96,011
1902 ...	32	14	46	100,128	32	19	51	102,518

18. The mails are carried by the Pacific Steam Navigation Company by means of a four-weekly service between Valparaiso and Liverpool.

21. The Norwegian exploring steamship "Antarctic" called at Stanley on her way to the Antarctic regions.

During the year the Islands were visited by H.M.S. "Cambrian" (Commodore Groome) and H.M.S. "Basilisk" and "Nymphe," also by the United States cruiser "Atlanta."

22. The following were the shipping casualties during the year:—

The British ship "Cypromene," bound from Antwerp to Astoria with general cargo, put in on March 25th with damage to ironwork, rigging, woodwork, and sails. Repairs were effected in the port, and the ship sailed on May 29th.

The British ship "Rhuddlan Castle," bound from Iquique to Antwerp with cargo of nitrate, put in on May 1st with loss of sails and deck damage. Damage made good here. Vessel sailed on June 13th.

The British barque "Serena," bound from Port Talbot to Caleta Buena with coal, put in on September 5th with damage to ironwork, woodwork, and loss of boats. Damages were all made good, cargo re-trimmed, and vessel sailed on November 6th.

The Norwegian barque "Arcadia," bound from New Caledonia to Glasgow, put in on October 17th with cargo shifted, damage to bulwarks, rails, &c. Damage made good, cargo restored, and vessel left on December 23rd.

III.—LEGISLATION.

23. Eight Ordinances were passed. Powers were taken (Ordinance No. 1) for acquiring land required for public purposes. A new Harbour Ordinance was passed; the Summary Jurisdiction Ordinance was re-arranged and amplified; the legislation with regard to pilots was brought up to date; and a new Marriage Ordinance was placed on the statute book.

An important Bill relating to land was also presented to the Legislative Council, but did not became law until after the close of the period embraced by this report.

IV.—EDUCATION.

24. The Government Senior and Infant Schools and the Roman Catholic School in Stanley were open all the year, and the attendance was well kept up.

The Falkland Islands Company continued to maintain a schoolmaster at Darwin.

On the West Falkland two Government itinerant masters were at work during the year, and an itinerant master was appointed for the North Camp of the East Falkland.

The Inspector of Schools' report is annexed.

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

25. On 30th September, 1902 (the end of the bank year), the capital was £50,342 15*s.* 3*d.*, as against £49,095 11*s.* 9*d.* on 30th September, 1901. There were 390 depositors, giving an average of £129 1*s.* 8*d.* to the credit of each account, or about £24 12*s.* 9*d.* per head of the population.

The income earned by the bank was £1,500 18*s.* 3*d.*, and the expenditure £1,070 9*s.* 9*d.*, leaving a profit of £430 8*s.* 6*d.*

These satisfactory figures do not, however, necessarily point to increase of thrift on the part of the people, as there is no limit to the amount any one may deposit, and the bank is consequently largely used as a cheque bank.

VI.—JUDICIAL STATISTICS.

Prisons.

26. Nearly all the few prisoners were, as usual, received from His Majesty's ships or merchant vessels, convicted of offences connected with breaches of discipline, &c.

Criminal Statistics.

27. The following table summarises the criminal statistics for five years:—

——	1898.	1899.	1900.	1901.	1902.
Number of offences reported to Police	46	38	61	34	50
Number of Summary Convictions—					
1. For offences against the person...	7	11	5	5	8
2. " " property	8	3	4	3	6
3. For other offences	28	24	47	22	24
Number of Supreme Court Convictions—					
1. For offences against the person...	—	1	1	1	—
2. " " property	—	—	—	—	—
3. For other offences	—	1	1	—	—
Number of Acquittals—					
1. Inferior Courts	3	4	3	3	12
2. In Supreme Court	—	—	—	—	—

VII.—VITAL STATISTICS.

28. Fifty-seven births and 19 deaths were registered during the year.

In 1891 the population was 1,789; 1901, 2,043; an increase of 254, of which 222 represents the increase in the town of Stanley alone. The estimated population on 31st December, 1901, was 2,146.

The birth rate was 26·56 per 1,000, the death rate 8·85.

Public Health.

29. The public health was satisfactory. Beneficial results to the Colony have also been attained by the trained nurse whose services were obtained by private subscription in 1901.

Climate.

30. The only statistics available are those of temperature taken at Cape Pembroke Lighthouse; the mean monthly readings were as follows:—

January	57·0
February	56·5
March	53·0
April	46·5
May	43·0
June	39·0
July	37·0
August	37·5
September	39·0
October	43·0
November	42·0
December	49·0

VIII.—POSTAL SERVICE.

31. The revenue was £1,211, as against £1,137 in 1901. The expenditure was £3,091 (including £2,500 mail subsidy), as against £4,267 in 1901, but the latter sum includes £1,250 mail subsidy paid during the year instead of, as theretofore, six months in arrear.

Telegrams are sent and received by post *viâ* Montevideo.

The telephone between Stanley and the Lighthouse was in working order during the year.

32. The following are the postal statistics:—

Postal Statistics.

—	Posted to			Delivered from			Internal.	Total.
	U.K.	Other places.	Total.	U.K.	Other places.	Total.		
Letters and Postcards	15,477	7,982	23,459	15,012	5,828	20,840	No account.	44,299
Newspapers, Books, &c.	1,386	901	2,287	29,845	323	30,168		32,455
Parcels ...	248	2	250	3,040	14	3,054		3,304
Totals 1902	17,111	8,885	25,996	47,897	6,165	54,062	—	80,058
Totals 1901	11,881	6,640	18,521	46,961	4,054	51,015	—	70,286

IX.—NAVAL AND MILITARY.

33. The Volunteer Rifle Corps numbered 3 officers and 105 non-commissioned officers and men, and the capitation grant earned was £120, as there were 10 more efficients than in 1901.

I referred last year to the arrival of Sergeant-Major Watt, drill instructor, and am pleased to report continued improvement in the corps under his painstaking and energetic tuition.

34. Work at the naval coaling depot was continued under the supervision of Mr. Geo. P. Hayes, Admiralty Engineer.

X.—GENERAL.

35. After a continued depression, the price of wool began to rise. An exceptionally severe winter wrought damage amongst sheep, cattle, and horses. In other respects the condition of the people was fairly prosperous.

36. The rates of wages are about as follows:—

Shepherds, £60 to £72 a year, with free lodgings, horse, and mutton.
Labourers, £6 to £7 a month, or, if on daily pay, 8*d.* an hour and 1*s.* an hour overtime.
Boys in training, £3 to £5 a month.
Shearers, 15*s.* per 100 sheep.
Shipwrights, 1*s.* an hour; 16*s.* 4*d.* a day for ship work.
Joiners, 1*s.* an hour; 16*s.* 4*d.* a day for ship work.
Blacksmiths, 1*s.* an hour; 10*s.* a day for ship work.
Stonemasons, 1*s.* an hour; 10*s.* a day for ship work.
Mariners, on coasting trade—£5 a month.
Domestic servants (a scarce commodity), 30*s.* to 40*s.* a month.

37. The prices of stock and produce are about as follows:—

Horses, £5 to £20; average £14.
Cattle, £1 to £5; average £2.
Sheep, 4*s.* to 7*s.*; average 5*s.*
Wool, 4*d.* to 6*d.*

38. The average prices of main articles of consumption are:—

Wheaten flour, per bag of 100 lbs., 18*s.*
Wheaten bread, per lb.. 2½*d.*
Milk, fresh, per quart, 8*d.* to 1*s.* (the supply is limited).
Butter, per lb., 2*s.* 3*d.* to 2*s.* 6*d.*
Beef, per lb., 5*d.*
Mutton, per lb., 2*d.*
All other articles from 50 per cent. to 100 per cent. above English prices.

39. The need of a good hotel in Stanley referred to in my previous reports remains, and indications are not wanting that, were suitable accommodation available, many residents of Buenos Aires or Montevideo would visit the Islands for purposes of relaxation.

W. HART BENNETT,

Colonial Secretary.

31st March, 1903.

CHIEF STOCK INSPECTOR'S REPORT FOR 1902.

Stanley, 3rd March, 1903.

SIR,

I HAVE the honour to submit to His Excellency the Governor my Report for 1902.

The number of sheep in the Islands returned in May, 1902, shows a large decrease as compared with March, 1901, the figures being respectively 713,934 against 762,357; the decrease is owing to the annual returns being later; the number of killed were not returned as on previous years, and the high price of tallow induced the farmers to boil down as many as possible.

The lambing in the year has been nowhere near the usual average, and will not exceed much above 55 per cent., which is owing entirely to the bad winter and spring, and will also prove detrimental to the season's wool clip. The most of the farmers are devoting their attention to selection and improving their flocks by imported blood.

The live stock imported during the year are as follows:—

6	Shropshires from England.
3	Romney Marsh from England,
12	Merino from New Zealand.
Total 21	

Other stock imported were 99 horses from South America.

Exportation. Nil.

The proclamation still remains in force prohibiting cattle and sheep and alfalfa from South America on account of foot and mouth and anthrax diseases.

For the last three years scab has been fully eradicated. Lice were more prevalent this last year than previous; the farmers were using their utmost endeavours to stamp them out.

The grass seed experiment has been tried with better results, and a few of the more enterprising farmers have despatched large orders for this next year's sowing, and it remains to be proved which is the most beneficial—the autumn or spring sowing.

I have, &c.,

JAMES ROBERTSON,

Chief Inspector of Stock.

The Honourable

The Colonial Secretary.

EDUCATION REPORT, 1902.

In Stanley the Government Senior and Infant Schools and the Roman Catholic School were at work without a break all the year, with the exception of the Roman Catholic School, which closed for a short time through a gun accident which unfortunately incapacitated the schoolmaster for a time.

The annual examinations were not held during the year, as H.M.S. "Cambrian" did not arrive in time, the naval instructor having been requested to act as Examiner; but as his report really has to do with the work of the schools for the year it is included in this Report.

In the camps:—

The Falkland Islands Company's School in Darwin under Alex. Moir, M.A., was open all the year as usual.

The Falkland Islands Company have also a travelling schoolmaster at work. A second has been appointed for work in the camp.

The Government have three travelling schoolmasters at work. Two on the West Falkland Islands and one appointed during the year in the North Camps of East Falkland Islands. Though the period between the visits to each family is rather long, the children are making appreciable progress, at least in the three rules—Reading, Writing, and Arithmetic.

LOWTHER E. BRANDON,

Dean and Colonial Chaplain.

The Honourable

The Colonial Secretary.

March 9th, 1903.

COLONIAL REPORTS—ANNUAL.

No. 415.

FALKLAND ISLANDS.

REPORT FOR 1903.

(For Report for 1902, *see* No. 386.)

Presented to both Houses of Parliament by Command of His Majesty.
May, 1904.

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1904.

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CONTENTS.

		PAGE.
I.	FINANCIAL...	4
II.	TRADE INDUSTRIES	7
III.	LEGISLATION	12
IV.	EDUCATION...	12
V.	GOVERNMENT INSTITUTIONS	13
VI.	JUDICIAL STATISTICS	13
VII.	VITAL STATISTICS	14
VIII.	POSTAL SERVICE	14
IX.	NAVAL AND MILITARY	16
X.	GENERAL	16
	REPORT BY CHIEF INSPECTOR OF STOCK	17

No. 415.

FALKLAND ISLANDS.

(For Report for 1902, *see* No. 386.)

GOVERNOR GREY WILSON to MR. LYTTELTON.

Government House,
Stanley,
24th March, 1904.

SIR,

I HAVE the honour to transmit to you the Blue Book for 1903 and the Colonial Secretary's report thereon.

2. The financial position disclosed is satisfactory—the year under review showing a large surplus and the extinction of the long standing floating debt.

3. The year was a good one for farmers as the winter was mild, the lambing excellent, and the price of wool well maintained.

4. An interesting agitation, with which I do not sympathize, is on foot to induce the Government to undertake on behalf of the farmers the diminution of the "wild," so called but in reality much too tame goose.

5. The price at present paid by farmers for the upper beaks of geese, as evidence of their slaughter, is ten shillings per one hundred, and it is represented that from one to one hundred and fifty thousand (representing grass for 20,000 sheep) might, with advantage to the sheep farmers, be destroyed annually.

6. The Falkland Islands goose is excellent eating, being preferred by many to the domestic variety, and it is remarkable in these utilitarian days that no scheme has been devised for preserving the three-quarters to one million pounds of food and marketing the high class down, which this so termed locust-like scourge renders available.

7. In addition to the present destruction of birds vast quantities of eggs are broken.

8. Perhaps a ventilation of the subject may result in some relief to farmers without entailing deplorable waste.

I have, &c.,

W. GREY WILSON,
Governor.

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REPORT ON FALKLAND ISLANDS BLUE BOOK FOR 1903.

I.—FINANCIAL.

1. Revenue and Expenditure.

1. The revenue for the year ended 31st December, 1903, was £17,393, and the expenditure £14,346.

2. The following are the details, as compared with 1902:—

Revenue.

—	1902.	1903.
	£	£
Customs	5,724	5,428
Port Dues, &c.	115	220
Licences, &c.	607	559
Fees, Fines, &c.	925	1,394
Post Office	1,211	1,134
Rents	4,752	4,954
Miscellaneous...	333	1,080
Interest on Investments	2,403	2,624
Totals	16,070	17,393

Expenditure.

—	1902.	1903.
	£	£
Pensions	223	241
Governor	1,487	1,403
Colonial Secretary	1,311	1,319
Customs	83	57
Audit	15	20
Port and Marine	224	140
Legal	303	269
Police	548	573
Prisons	204	291
Medical	623	561
Education	700	683
Ecclesiastical	472	466
Transport	320	212
Miscellaneous...	873	991
Post Office	3,091	3,025
Colonial Engineer	377	727
Public Works...	1,486	1,061
Public Works Extraordinary	1,180	1,076
Interest, &c., Savings Bank...	1,182	1,151
Drawbacks and Refunds	87	80
Totals	14,789	14,346

3. The annual revenue and expenditure for the five years 1899-1903 were as follows:—

—	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Revenue ...	13,219	15,510	15,476	16,070	17,393
Expenditure ...	13,479*	15,435	17,639	14,789	14,346
	— 260	+ 75	— 1,263	+ 1,281	+ 3,047

* Erroneously returned in Report for 1899 at £13,314.

4. The revenue in 1903 was by far the highest yet raised, and exceeded the average annual receipts of the five years 1899-1903 by £1,860.

5. Customs duties, port and harbour dues, and internal revenue realised £6,207, or £230 less than in 1902. This gives an average taxation of £3 0*s.* 9*d.* per head, as against £3 3*s.* 1*d.* in the previous year. The export duty on wool, sheep skins, etc., produced £1,004, or £140 less than in 1902. The total amount raised from this duty since it was imposed in 1900 is £4,303.

6. Under the subhead "Miscellaneous Revenue" an item of £832 is included for the reconstruction of the dockyard jetty. This work was charged to a sum of £2,000 deposited in the Treasury and especially earmarked for harbour works.

It appears also on the expenditure side under Public Works Extraordinary and (beneath the line) as Land Sales.

7. The expenditure was less than that of 1902 by £443, but this does not include a sum of £263 for salaries, etc., which should properly have been drawn in 1903. It was £792 less than the annual average of the five years 1899-1903, or, taking account of the above sum of £263, it was less by £529.

8. The only apparent increase in the expenditure, as compared with 1902, requiring notice is "Colonial Engineer" £727, against £327. Previously labourers and artisans then employed on the Government House extension were, by direction of the Secretary of State, borne under Public Works Extraordinary. Last year, there being no vote for Government House, on which but little work was executed, they were charged to the vote for Colonial Engineer.

2. Assets and Liabilities.

9. The assets on 31st December, 1903, were £81,481, and the liabilities £81,366, giving an excess of the former amounting to £115.

10. The financial position of the Colony for the last ten years is set forth in the following table:—

Year.	Assets, Surplus of.	Liabilities, Surplus of.
	£	£
1894	1,041	—
1895	392	—
1896	—	1,043
1897	—	1,761
1898	—	2,918
1899	—	3,143
1900	—	3,415*
1901	—	4,226
1902	—	2,752
1903	115	—

* Stores in hand ceased to be treated as an asset.

3. Invested Funds.

11. The invested funds during the five years 1899-1903 were (face value):—

Fund.	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Land Sales ...	23,046	24,283	26,407	27,856	28,149
Savings Bank ...	43,401	44,401	46,744	48,386	50,501
Intestate Estates	582	597	560	575	591
Notes	333	333	1,600	2,678	2,705
Totals ...	67,362	69,614	75,311	79,495	82,946

4. Currency.

12. £5,000 worth of notes of various denominations was in circulation. There is a cash reserve in the Treasury of £2,500, being 50 per cent. of the value.

II.—TRADE AND INDUSTRIES.

1. Imports and Exports.

13. The value of the imports was £66,416, and of exports £115,915, as compared with £63,851 and £90,838 respectively in 1902.

14. The following are the details of the imports:—

—	1902.	1903.
	£	£
1. Live Animals, Food and Drink, and Narcotics:—		
Aerated waters	298	268
Drugs, &c.	1,463	1,017
Fodder, corn, hay, &c.	1,926	3,051
Fruit and vegetables...	1,038	901
Groceries, &c.	15,090	12,202
Live stock	932	2,892
Malt liquor	2,492	3,111
Spirits	4,152	4,389
Tobacco, cigars, &c.	3,201	2,212
Wine	740	524
Totals	31,332	30,567
2. Raw Materials:—		
(a) *Textile*	—	—
(b) *Metals and minerals*—		
Coal	4,409	8,971
Other	288	24
(c) *Other*	—	—
Totals	4,697	8,995
3 Manufactured Articles:—		
(a) *Textile*—		
Ship chandlery*	2,380	3,258
Haberdashery...	4,577	5,167
Wearing apparel, &c.	7,144	7,257
Totals	14,101	15,682†
(b) *Metals and minerals*—		
Hardware, &c....	5,167	4,834

* Includes bagging and fencing imported for country districts.
† Also 22,360 pelagic sealskins imported for export.

Imports—continued.

—	1902.	1903.
	£	£
(c) *Other*—		
Furniture	1,700	2,095
Glass and earthenware	436	513
Timber and building material ...	6,418	3,730
Totals	8,554	6,338
Totals of Manufactured articles	27,822	26,854
4. COIN AND BULLION	—	—
Grand Totals	63,851	66,416

15. The quantities and value of the staple products of the Colony exported in 1903 were as follows, as compared with 1902:—

Exports.

—	1902.		1903.	
	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£
Wool	4,360,260	72,761	4,023,807	103,597
Tallow	679,728	6,372	428,076	4,000
	No.		No.	
Sheepskins	106,044	10,604	74,502	7,450
Live stock	—	—	—	—
Hides	1,182	1,005	656	558
Sealskins	93	186	155°	310
Totals	—	90,838	—	115,915

° And 22,360 pelagic skins were imported for export.

16. The totals of imports and exports for the five years 1899-1903 are as follows:—

—	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Imports	73,978	66,948	74,765	63,851	66,416
Exports	132,203	111,539	110,294	90,838°	115,915
Totals ...	213,181	178,487	185,059	164,689	182,331

° Includes £2,000 specie.

2. Direction of Trade.

17. The United Kingdom sent 89 per cent. of the imports, and received all the exports. The balance was distributed between Chile, Argentina, Uruguay, and New Zealand.

3. Pastoral Industry.

18. There was no scab.

The estimated number of sheep on the farms returned in May, 1903, was 681,209, against 713,934 in May, 1902, due to the bad winter of 1902. The wool clip was not good, but the price rose.

The Stock Inspector's Report for the year is annexed.

4. Shipping.

19. The following are the shipping statistics:—

Shipping Statistics.

—	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1902.	1903.	1902.	1903.	1902.	1903.	1902.	1903.	1902.	1903.	1902.	1903.
America	—	—	—	1	—	1,856	—	—	—	—	—	—
Argentina...	—	1	—	—	—	70	—	1	—	—	—	70
British	30*	31*	9	20	96,365	110,950	30*	31*	11	18	96,496	109,984
Chilian	—	—	2	2	248	248	—	—	3	1	372	124
Danish	—	—	—	1	—	376	—	—	—	1	—	376
French	—	—	—	—	—	—	—	—	1	—	1,576	—
German	—	—	—	2	—	3,647	—	—	—	1	—	1,940
Norwegian	2	—	3	—	3,515	—	2	—	4	—	4,074	—
Totals	32	32	14	26	100,128	117,147	32	32	19	21	102,518	112,494

* All Pacific Steam Navigation Company's.

20. The following is a comparative statement of the total shipping inwards and outwards for the five years 1899-1903:—

Year.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1899 ...	28	29	57	77,262	27	24	51	67,700
1900 ...	31	17	48	76,404	31	22	53	87,900
1901 ...	33	11	44	97,878	32	9	41	96,011
1902 ...	32	14	46	100,128	32	19	51	102,518
1903 ...	32	26	58	117,147	32	21	53	112,494

21. The following were the shipping casualties during the year:—

Five vessels put into Stanley in distress: two British, two German, and one American. One British ship was severely damaged off Cape Horn, having lost her entire mainmast and gear. New material was sent for from Liverpool, and the ship refitted here. The two German ships had the usual damage to bulwarks and iron work aloft, all of which was thoroughly overhauled and repaired here. The American ship had lost her fore and main top-gallant masts, and the lower-mast damaged. Owing to the rigging plan of the ship being defective the Master decided to execute temporary repairs only, being of opinion that the owners would decide to alter the rigging plan altogether. Temporary repairs were consequently carried out. During her stay in port the coal showed signs of heating, but not very seriously. Another American ship, however, belonging to the same owners and carrying a cargo of exactly similar coal took fire off Staten Island, ran for the West Falklands, and had to be abandoned in the Falkland Sound, where she remains burnt out. The crew landed in their own boats at Fox Bay and were brought to Stanley.

22. The mails are carried by the Pacific Steam Navigation Company by means of a four-weekly service between Valparaiso and Liverpool.

23. The Scottish Antarctic exploring vessel "Scotia," whose main mission is deep-sea research, made some stay in Stanley harbour.

24. Some nine or ten British Columbian sealing schooners put in for the purpose of exporting their catch. Over 22,000 skins, alleged to have been obtained by pelagic fishing, were so exported. The Governor in Council has now the power to impose a duty, not exceeding ten shillings a skin, on every seal skin imported into the Colony for transhipment or exportation, but the Ordinance has not yet been enforced.

III.—LEGISLATION.

25. Nine Ordinances were passed during the year.

26. By No. 2 a simple procedure is provided for persons wishing to obtain Letters Patent for inventions, or Certificates of Registration of Designs, or Trade Marks in this Colony. But only Letters Patent or Registration already granted in the United Kingdom are recognised.

No. 4—Seals—is referred to in paragraph 24.

The Customs Ordinance was revised—(No. 6).

By No. 7 a licence is required for wireless telegraphy.

An important measure relating to land became Law No. 9. By this enactment no less than fifteen Ordinances dealing with this subject were swept away, and we have now a comprehensive Ordinance under which the position of the leaseholders is clearly defined. Many of the older Ordinances contained intricate and contradictory clauses, which have now been simplified and reconciled.

IV.—EDUCATION.

27. The Government Senior and Infant Schools and the Roman Catholic School at Stanley were open all the year, and the attendance was well kept up.

The Falkland Islands Company continued to maintain a schoolmaster at Darwin, also an itinerant teacher.

There are two itinerant teachers on the West Falkland, and one on the Northern part of the East Falkland. It is in contemplation to appoint more, as the benefits of this form of education to the scattered inhabitants of the out-districts are undoubted.

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

28. On 30th September, 1903,—the end of the bank year—the capital was £47,411, as against £50,343 in 1902 and £24,940 in 1892. There were 375 depositors, giving an average of £126 14*s.* for each account, or about £22 7*s.* 8*d.* per head of the population.

The income earned by the bank was £1,615 and the expenditure £1,238, leaving a profit of £377.

The bank is well managed by the Colonial Treasurer as part of his official duties.

VI.—JUDICIAL STATISTICS.

29. The following table summarises the criminal statistics for five years:—

——	1899.	1900.	1901.	1902.	1903.
Number of offences reported to the Police.	38	61	34	50	94
Number of Summary Convictions—					
1. For offences against the person...	11	5	5	8	4
2. „ „ property	3	4	3	6	4
3. For other offences	24	47	22	24	80
Number of Supreme Court Convictions—					
1. For offences against the person...	1	1	1	—	2
2. „ „ property	—	—	—	—	2
3. For other offences	1	1	—	—	—
Number of Acquittals—					
1. Inferior Courts	4	3	3	12	2
2. In Supreme Court	—	—	—	—	—

VII.—VITAL STATISTICS.

1. Population.

30. 68 births were registered and 31 deaths, five of which were due to drowning.

The population in 1891 was 1,789, in 1901—2,043, and on 31st December, 1903 (estimated)—2,044.

The birth rate was 32·28 per 1,000 and the death rate 14·93, or leaving out of account the five deaths from drowning, 12·56.

2. Public Health.

31. Was satisfactory. The trained nurse referred to in previous reports resigned her appointment towards the close of the year.

3. Climate.

32. It is regretted that no statistics are available, the records taken at Cape Pembroke Lighthouse having been sent to the Board of Trade without copies having been taken. The lighthouse has now, by the courtesy of the Meteorological Department and of Dr. Bruce, of the Scottish exploring vessel "Scotia," been supplied with reliable instruments.

VIII.—POSTAL SERVICES.

33. The revenue was £1,134, as against £1,211 in 1902. The expenditure was £3,025 (including £2,500 mail subsidy), as against £3,091 in 1902.

Telegrams are sent and received by post via Montevideo, and can now also be sent by post via Punta Arenas, Chile.

The telephone between Stanley and the Lighthouse—seven miles—was not in working order during part of the year, but has since been repaired.

The current stamp issues are:—rose 5*s.*, blue 2*s.* 6*d.*, brown 1*s.*, salmon 9*d.*, yellow 6*d.*, grey 4*d.*, blue 2½*d.* violet 2*d.*, claret 1*d.*, green ½*d.* Stamps of the new Reign are not yet on issue.

The Colony is in the Postal Union.

34. The value of the money orders issued during the last three years is:—

Year.	On United Kingdom	On Other Places.	Total.
	£	£	£
1901	9,870	697	10,567
1902	9,659	1,472	11,131
1903	8,943	250	9,193

35. The total number of postal packets dealt with during the last five years is:—

Year.	Number.
1899	76,205
1900	69,268
1901	70,286
1902	80,058
1903	87,069

36. The following are the detailed postal statistics for the year:—

POSTAL STATISTICS.

—	Posted to			Delivered from			Internal.	Total.
	U.K.	Other places.	Total.	U.K.	Other places.	Total.		
Letters and Postcards	14,217	8,397	22,668	18,200	6,403	24,603	—	47,271
Newspapers, Books, &c.	1,442	950	2,392	32,734	987	33,721	—	36,113
Parcels ...	309	—	309	3,376	—	3,376	—	3,685
Totals ...	15,968	9,347	25,369	54,310	7,390	61,700	—	87,069

IX.—NAVAL AND MILITARY.

37. The Islands were visited during the year by His Majesty's ships "Cambrian," "Basilisk," "Nymphe," "Beagle," and "Dwarf." The base of the newly-named "South Atlantic Squadron" is now Freetown, Sierra Leone.

The Chilian training ship "General Barguedano" put in for a short time.

38. The Admiralty Civil Engineer left for England in April. Work at the Naval Coaling Depôt was continued, and is not yet completed.

39. The Volunteer Rifle Corps numbered 3 officers and 97 men, and the Capitation Grant earned was £100, representing 50 efficients. Considering that a number of members left the Colony during the year and that a very large number are resident in the camp and seldom able to come to Stanley, the percentage is high.

The shooting was maintained at a very high average of efficiency, and, whereas on 30th June, 1903—the end of the Volunteer year—there were eight marksmen, there are now sixteen.

For the first time regular gun drill with the 7-prs. was carried out and very good practice made.

The Volunteers now use the old naval range, which has been handed over to them, the Admiralty having constructed a new range to the north of the harbour.

The drill instructor—Sergt.-Major Watt—has again done excellent work, and it is mainly to his influence and exertions that the satisfactory condition of the Corps is due.

X.—GENERAL.

40. Prices of produce and wages remain as last year.

41. I have mentioned in previous reports the need of a good hotel in Stanley. It is certain that it would be largely patronised by residents in Buenos Aires and Montevideo.

W. Hart Bennett,

Colonial Secretary.

15th March, 1904.

REPORT BY CHIEF INSPECTOR OF STOCK.

Stanley,

18th February, 1904.

SIR,

I HAVE the honour to forward to you herewith my report for the year 1903.

2. The decrease of the number of sheep returned in May, 1903, as compared with May, 1902, is due entirely to the bad winter previously, the numbers being 681,209 and 713,934 respectively.

3. The lambing in the year was most satisfactory, giving a high percentage—about 75 per cent.

4. I suggest that it should be made compulsory in Section 30 of the Live Stock Ordinance, that all farmers should use *Pliers* instead of the knife for earmarking.

5. The wool clip for the year was not so good, owing to the previous winter: it was tender and had a break in it, but fortunately the price of wool rose.

6. Most of the farmers are doing their utmost to improve their flocks by selecting and importing new blood into them. I notice a vast improvement in a great many of the flocks.

7. The sheep imported during the year are as follows:—

From.	Number.	Description.
New Zealand	297	Romney Marsh Rams.
" "	75	Border Leicester Rams.
" "	30	Lincoln Rams.
" "	54	Merino "
" "	59	Romney Marsh Ewes.
Total	515	

8. Unfortunately a few of both consignments were found to be suffering from foot-rot which had been contracted on the voyage: with due precaution on arrival they were shipped to their destination all right.

9. Other stock imported were 64 horses from Patagonia.

10. Lice were very prevalent last year: the farmers have been most successful in exterminating them: only a few cases have been seen this year.

11. In my last year's report I remarked that the grass seed experiment proved most successful. The experiment was made at Darwin, Lively Island, Fitzroy, Stanley, and quarantine paddock; the seed used, viz.: cocksfoot rye and clover, in all parts has taken well. I would recommend the spring for sowing.

I have, &c.,

JAMES ROBERTSON,

Chief Inspector of Stock.

The Honourable

The Colonial Secretary.

COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
397	Gold Coast	1902
398	Barbados	1902–1903
399	Fiji	1902
400	Lagos	"
401	British Solomon Islands	1902–1903
402	Cocos-Keeling Islands	1903
403	St. Vincent	1902–1903
404	Grenada	1903
405	Southern Nigeria	1902
406	Straits Settlements	"
407	Trinidad and Tobago	1902–1903
408	Basutoland	"
409	Northern Nigeria	1902
410	Malta	1902–1903
411	St. Lucia	1902
412	Mauritius	"
413	British Guiana	1902–1903
414	Jamaica	"
	Bahamas (Printed separately as [Cd. 1985]) ...	1902

MISCELLANEOUS.

No.	Colony.	Subject.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896-1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies ...	Medical Reports.
20	Weihaiwei	General Report.
21	Dominica	Report on Caribs.
22	Seychelles	Report on Para Rubber.
23	Dominica	Roads and Land Settlement.
24	Grenada	Land Settlement in Carriacou.
25	Hong Kong	Bubonic Plague, 1903.
26	Northern Nigeria	Mineral and Vegetable Products.

LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
BY DARLING & SON, LTD., 34-40, BACON STREET, E.

1904.

COLONIAL REPORTS—ANNUAL

No. 449.

FALKLAND ISLANDS.

REPORT FOR 1904.

(For Report for 1903, *see* No. 415.)

Presented to both Houses of Parliament by Command of His Majesty.
June, 1905.

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1905.

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CONTENTS.

		PAGE.
I.	FINANCIAL	4
II.	TRADE AND INDUSTRIES	6
III.	LEGISLATION	10
IV.	EDUCATION	11
V.	GOVERNMENT INSTITUTIONS	12
VI.	JUDICIAL STATISTICS	12
VII.	VITAL STATISTICS	12
VIII.	POSTAL SERVICE	13
IX.	NAVAL AND MILITARY	15
X.	GENERAL OBSERVATIONS	15

No. 449.

FALKLAND ISLANDS.

(For Report for 1903, *see* No. 415.)

GOVERNOR ALLARDYCE to MR. LYTTELTON.

Government House,
Stanley,
21st April, 1905.

SIR,

I HAVE the honour to transmit to you herewith the Blue Book for 1904, along with the Colonial Secretary's report thereon.

2. Although the financial position of the Colony is quite sound, the revenue for 1904 is 10 per cent. lower than that obtained during 1903, and the local conditions and immediate outlook are such as to lead one to suppose that last year's figure will not be exceeded in 1905.

3. The Colony's extreme isolation with a mail steamer from the United Kingdom only once every four weeks stands out in marked contrast to the facilities enjoyed in this respect by the people of the neighbouring South American Republics, and more especially Punta Arenas (Chile), in the Straits of Magellan, which is still more remotely situated from Europe. The colonist in the Falklands is thereby placed at a considerable disadvantage.

4. The Colony cannot, however, afford to pay a larger sum than at present for the homeward and outward mail (an alternate steamer once a fortnight), the amount at present contributed being about one-sixth of the total revenue, which is an abnormally high percentage to devote to this service.

5. The question of the establishment of telephonic communication between Stanley and Darwin, situated at the head of Choiseul Sound, is receiving the attention of Government, and I hope to be in a position shortly to submit my proposals for your consideration.

I have, &c.,

W. L. ALLARDYCE,
Governor.

1000 Wt 23792 6/05 D & S 5 21702 A 2

REPORT ON FALKLAND ISLANDS BLUE BOOK FOR 1904.

I.—FINANCIAL.

1. Revenue and Expenditure.

1. The revenue for the year ended 31st December, 1904, was £15,689, and the expenditure £14,249.

2. The following are the details, as compared with 1903:—

Revenue.

—	1903.	1904.
	£	£
Customs	5,428	4,097
Port dues, &c....	220	157
Licences, &c.	559	554
Fees, fines, &c.	1,394	803
Post Office	1,134	1,110
Rents	4,954	5,943
Miscellaneous	1,080	188
Interest on investments	2,624	2,837
Totals	17,393	15,689

Expenditure.

—	1903.	1904.
	£	£
Pensions	241	434
Governor	1,403	1,473
Colonial Secretary	1,319	880
Treasurer	—	522
Customs	57	—
Audit	20	33
Port and Marine	140	92
Legal	269	272
Police	573	622
Prisons	291	149
Medical	561	718
Education	683	772
Ecclesiastical	466	428
Transport	212	197
Miscellaneous...	991	1,161
Post Office	3,025	2,554
Colonial Engineer	727	843
Public Works...	1,061	1,390
Public Works Extraordinary	1,076	356
Interest, &c., Savings Bank	1,151	1,149
Drawbacks and Refunds	80	204
Totals	14,346	14,249

3. The annual revenue and expenditure for the five years 1900-1904 were as follows:—

—	1900.	1901.	1902.	1903.	1904.
	£	£	£	£	£
Revenue ...	15,510	15,476	16,070	17,393	15,689
Expenditure ...	15,435	17,639	14,789	14,346	14,249
	+ 75	— 1,263	+ 1,281	+ 3,047	+ 1,440

4. The fall in revenue was due mainly to decreased importations of dutiable goods, the merchants trading on their old stocks. The increase under the head of rents was due to an abnormal receipt of £1,000, bid at public auction for the lease of a farm known as Bluff Cove, which had become void on account of failure to pay rent. The total revenue was £338 less than the average annual revenue of the five years 1900-4.

5. The expenditure was £97 less than in 1903, and £1,042 less than the average annual expenditure of the five years 1900-4. It calls for no further remark.

6. The financial condition of the Colony is sound, but the abolition of the South Atlantic Squadron, the closing of the Naval Works, and the probable cessation of the visits of the Canadian sealing schooners must inevitably reduce the revenue of future years.

2. Assets and Liabilities.

7. The assets on 31st December, 1904, were £85,326, and the liabilities £56,551, giving an excess of the former of £28,775.

8. The financial position of the Colony for the last ten years is set forth in the following table:—

Year.	Assets (Surplus of).	Liabilities. (Surplus of).
	£	£
1895	392	—
1896	—	1,043
1897	—	1,761
1898	—	2,918
1899	—	3,143
1900	—	3,415*
1901	—	4,226
1902	—	2,752
1903	115	—
1904	—	28,776†

* Stores ceased to be treated as an asset.

† This includes the Land Sales Fund (£27,528), not hitherto treated as an asset, but now so treated in accordance with the directions of th Secretary of State.

3. Invested Funds.

9. The invested funds during the five years 1900-1904 were as follows (face value):—

Fund.	1900.	1901.	1902.	1903.	1904.
	£	£	£	£	£
Land Sales	24,283	26,487	27,856	28,149	27,527
Savings Bank	44,401	46,744	48,386	50,501	50,045
Intestate Estates	597	560	575	591	980
Notes...	333	1,600	2,678	2,705	3,179
Surplus Fund	—	—	—	—	2,500
Totals	69,614	75,311	79,495	82,946	81,051

4. Currency.

10. There are now £6,000 worth of currency notes in circulation—£5, £1, and 5*s*. There is a gold cash reserve in the Treasury of £3,000, being 50 per cent. of the value. The remaining £3,000 of the Guarantee Fund is invested in various Colonial Government securities.

A new 5*s*. note—coloured brown—was issued, in place of the green note, as being more easily distinguishable from other values.

II.—TRADE AND INDUSTRIES.

1. Imports and Exports.

11. The value of the imports was £49,501, and of exports £126,935, as compared with £66,416 and £115,915 respectively in 1903.

12. The following are the details of the imports:—

—	1903.	1904.
1. Live Animals, Food and Drinks, and Narcotics—	£	£
Aerated waters	268	241
Drugs, &c.	1,017	980
Fodder, corn, hay	3,051	2,241
Fruit and vegetables	901	1,163
Groceries, &c.	12,202	12,229
Live stock	2,892	200
Malt liquor	3,111	1,352
Spirits	4,389	1,582
Tobacco, cigars, &c.	2,212	721
Wine	524	462
Totals	30,567	21,171

Imports—continued.

	1903.	1904.
	£	£
2. RAW MATERIALS—		
(*a.*) Textile	—	—
(*b.*) Metals and Minerals—		
Coal	8,971	1,063
Other	24	960
(*c.*) Other—		
Timber	*—	1,548
Total	8,995	3,571
3. MANUFACTURED ARTICLES—		
(*a.*) Textile—		
Ships' chandlery†	3,258	3,793
Haberdashery	5,167	‡3,426
Wearing apparel, &c.	7,257	‡3,426
Totals...	15,882	10,645
(*b.*) Metals and Minerals—		
Hardware, &c.	4,834	5,039
(*c.*) Other—		
Furniture	2,095	1,480
Glass and earthenware...	513	288
Timber and building material...	3,730	§1,246
Totals...	6,338	3,014
Total of manufactured articles	26,854	18,698
4. COIN AND BULLION	—	1,335
5. PARCEL POST	‖—	4,726
Grand Totals...	66,416	49,501

* Included under 3 (*c*).

† Includes bagging and fencing imported for country districts.

‡ Plus the greater part of the £4,726 returned under Parcel Post.

§ And £1,548 timber.

‖ The Parcel Post receipts in 1903 were classified under the various headings. It has not been found possible without much labour to do this for 1904.

13. The quantities and values of the staple products of the Colony exported in 1904 were as follows, compared with 1903:—

Exports.

—	1903.		1904.	
	Quantity.	Value.	Quantity.	Value.
	lbs.	£	lbs.	£
Wool	4,023,807	103,597	4,259,420	115.359
Tallow	428,076	4,000	°44,800	520
	No.		No.	
Sheepskins ...	74,502	7,450	74,958	9,369
Live stock ...	—	—	—	—
Hides	656	558	263	291
Seal skins	† 155	310	‡103	151
Totals ...	—	115,915	—	125,690

° A large quantity of tallow remained unexported at the end of the year.
† And 22,360 pelagic seal skins imported for export.
‡ And over 17,000 pelagic seal skins imported for export.

14. The totals of imports and exports for the five years 1900-1904 were as follows:—

—	1900.	1901.	1902.	1903.	1904.
	£	£	£	£	£
Imports... ...	66,948	74,765	63,851	66,416	† 49,501
Exports... ...	111,539	110,294	* 90,838	115,915	126,935
Totals ...	178,487	185,059	164,689	182,331	176,436

* Includes £2,000 specie.
† Do. £1,335 do.

2. Direction of Trade.

15. The United Kingdom sent 88 per cent. of the imports; foreign countries, chiefly Chile, Argentina, and Uruguay, the remainder.

The exports all went to the United Kingdom.

3. Pastoral Industry.

16. There was no scab.

The estimated number of sheep on the farms returned in May, 1904, was 702,444, as against 681,209 in 1903.

The Stock Inspector's report for the year is annexed.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

The price of wool was higher than for some years: generally speaking, it was 20 per cent. higher in 1904 than in 1903.

4. Shipping.

17. The following are the shipping statistics:—

—	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1903.	1904.	1903.	1904.	1903.	1904.	1903.	1904.	1903.	1904.	1903.	1904.
American ..	—	—	1	—	1,856	—	—	—	—	—	—	—
Argentina ..	1	—	—	—	70	—	1	—	—	—	70	—
British ..	*31	36	20	16	110,950	118,294	*31	36	18	15	109,984	116,134
Chilian ..	—	1	2	5	248	597	—	1	1	5	124	597
Danish ..	—	—	1	1	376	384	—	—	1	1	376	384
German ..	—	—	2	—	3,647	—	—	—	1	—	1,940	—
Norwegian.	—	—	—	1	—	376	—	—	—	1	—	376
Totals ..	32	37	26	23	117,147	119,651	32	37	21	22	112,494	117,491

* All Pacific Steam Navigation Company.

18. The following is a comparative statement of the total shipping inwards and outwards for the five years 1900-1904:—

Years.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1900 ...	31	17	48	76,404	31	22	53	87,900
1901 ...	33	11	44	97,878	32	9	41	96,011
1902 ...	32	14	46	100,128	32	19	51	102,518
1903 ...	32	26	58	117,147	32	21	53	112,494
1904 ...	37	23	60	119,651	37	22	59	117,491

19. Several British Columbian sealing schooners put in for the purpose of exporting their catch. Over 17,000 skins alleged to be pelagic were so exported. There is now power to impose, in certain circumstances, a duty of 10*s.* a skin on skins imported for the purpose of transhipment or exportation, and, should this power be enforced, it is certain that these schooners will visit the Colony no more.

20. The following were the shipping casualties during the year:—

The German "Emilie," 80 days out from Antwerp for Los Angeles, put in on December 12th, 1903, with considerable damage to iron work aloft and rigging, and the deck leaky. Repairs were executed here, and the ship left for destination on February 16th.

The crew of the American ship "Clarence S. Bement," bound with coal to San Francisco, which was burnt at sea, were landed on the West Falkland and brought to Stanley in January. The captain tried to make Fox Bay with the ship, but could not do so, and anchored her off the entrance to Port Edgar. She continued to burn at her anchorage, and afterwards sank there.

The British four-masted barque "Sofala," bound from Barry to Esquimalt with a cargo of steam coal and coke for the Admiralty, put back to this port on September 24th with serious damage to her bulwarks and loss of sails off Cape Horn. Over 150 feet of bulwark had to be repaired or renewed; her cargo had also shifted. Repairs were completed before the end of the year, but the Admiralty ordered the cargo to be discharged into the Naval Depôt at Port Stanley.

The Danish barque "Emilie," bound from Gilbert Islands to the Azores with cargo of copra, put in here on October 24th, the captain and second officer having died at sea from beri-beri. Her rudder was repaired, sails renewed, and, after shipping fresh hands, proceeded on her voyage on December 1st.

The local schooner "Fair Rosamond," belonging to the Falkland Islands Company, was totally wrecked off Lively Island on April 22nd. No lives were lost. She has been replaced by the "Lafonia," formerly a Mersey pilot boat.

III.—LEGISLATION.

21. Ten Ordinances were passed.

By No. 3—Licensing Amendment—further penalties are provided in connection with the supply of liquor to prohibited persons.

A new Trespass and Pound Ordinance—No. 5—was placed on the Statute Book.

No. 6 is an Ordinance to simplify conveyancing and titles to land, under which *inter alia* provision is made as to the registration of deeds previously unregistered.

Under the Seal Fishery Ordinance—No. 8—power is given to arrest a vessel suspected of seal poaching.

IV.—EDUCATION.

22. The Government Senior and Infant Schools and the Roman Catholic School in Stanley were open all the year.

The Government appointed two more itinerary teachers, one for the West Falklands and one for the North Camps of the East Falklands, making in all three for the former and two for the latter.

The Falkland Islands Company maintain a master at Darwin and two itinerant teachers for Lafonia (the Southern portion of the East Falklands).

The following extract from the report of the Inspector of Schools gives details as to school attendance:—

Education Report, 1904.

Below is appended the number of children being educated in the Colony. In Stanley several children drift between the Government and Roman Catholic Schools; hence the number returned for Stanley should be reduced by some 12 or 15 children.

——	Boys.	Girls.	Total.
Government Schools—			
Senior	35	27	62
Infant	38	32	70
Roman Catholic	41	39	80
Private School	9	3	12
Government Camp	69	50	119
Darwin	10	9	19
„ Camps	17	22	39
Privately taught	2	7	9
	221	189	410

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

23. On 30th September, 1904,—the end of the Bank year—the capital was £49,634 as against £47,411 in 1903 and £30,073 in 1893. There were 356 depositors, giving an average of £139 8*s*. 5*d*. for each account, or about £24 16*s*. 2*d*. per head of population.

The income earned by the bank was £1,633 0*s*. 5*d*., and the expenditure £1,119 14*s*. 4*d*., leaving a profit of £513 6*s*. 1*d*.

VI.—JUDICIAL STATISTICS.

24. The following table summarizes the criminal statistics for five years:—

——	1900.	1901.	1902.	1903.	1904.
Number of offences reported to police	61	34	50	94	83
Number of summary convictions—					
1. For offences against the person ...	5	5	8	4	5
2. „ „ „ property	4	3	6	4	1
3. For other offences	47	22	24	80	57
Number of Supreme Court convictions—					
1. For offences against the person ...	1	1	—	2	—
2. „ „ „ property	—	—	—	2	—
3. For other offences	1	—	—	—	—
Number of Acquittals—					
1. Inferior court	3	3	12	2	16
2. Supreme court	—	—	—	—	1

VII.—VITAL STATISTICS.

1. Population.

25. 65 births were registered, and 22 deaths. The population in 1891 was 1,789; in 1901, 2,043; and on 31st December, 1904, 2,009 (estimated).

The birth rate was 32·35 per 1,000, and the death rate 10·95

2. Public Health.

26. Was generally satisfactory.

3. Climate.

27. The following data are taken from the records kept at Cape Pembroke Lighthouse.

Month.	Max. Thermometer.			Min. Thermometer.			Barometer.	
	Highest.	Lowest.	Average.	Highest.	Lowest.	Average.	Highest.	Lowest.
1904.								
January..	56	45	51	54	43	49	29·984	28·292
February.	71*	46	57	55	36*	49	30·088	28·640
March ..	60	45	53	51	39	48	29·886	28·872
April ..	57	41	48	48	36	44	30·168	29·078
May ..	51	34	40	48	32†	37	30·240	28·870
June ..	48	34	42	45	29†	39	30·158	28·890
July ..	‡43	32	38	38	24	34	30·144	28·592
August ..	§47	37	42	40	32	37	30·160	28·920
September.	‖53	39	44	42	34	38	30·204	28·686
October ..	58	39	46	47	31	39	30·280	28·866
November.	¶62	42	52	45	36	42	30·148	28·824
December.	**60	43	52	46	37	42	30·034	29·148

* Very rare.
† Very cold.
‡ Hard, dry, cold weather—ice and snow.
§ A good deal of fog and drizzling rain.
‖ A good deal of fog, rain, and mist.
¶ A dry, windy month.
** Changeable—cold and showery—passing showers and hail and sleet on 11th and 27th although summer.

The original detailed returns are sent to the Board of Trade.

28. The rainfall at Stanley has been measured since August, and was as follows (Lat., 51° 41′ S.; Long., 57° 15′ W.):—

Month, 1904.	Amount.	Maximum.	Rainy Days.
August	2·035	·680 on 15th.	20
September	2·440	·510 „ 24th.	23
October	2·810	·780 „ 2nd.	19
November	1·605	·350 „ 3rd.	18
December	2·820	·360 „ 3rd.	22

VIII.—POSTAL SERVICE.

29. The revenue was £1,110, as against £1,134 in 1903. The expenditure was £2,554 (including £1,875 mail subsidy), as against £3,025, in 1903, but the balance of the mail subsidy—£625—was not paid during the year.

Telegrams are sent and received by post viâ Monte Video and Punta Arenas.

The telephone between Stanley and the lighthouse was in working order during the year.

The Colony is in the Postal Union.

30. The value of the money orders issued during the last three years is:—

Year.	On United Kingdom.	On Other Places.	Total.
	£	£	£
1902	9,659	1,472	11,131
1903	8,943	250	9,193
1904	8,540	228	8,768

31. The total number of postal packets dealt with during the last five years was:—

—	Number.
1900	69,268
1901	70,286
1902	80,058
1903	87,069
1904	82,828

32. The following are the detailed postal statistics for the year:—

—	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and Post Cards.	16,446	5,293	21,739	16,613	7,177	23,790	45,529
Newspapers, books, &c.	30,390	398	30,788	2,162	1,021	3,183	33,971
Parcels ...	2,969	1	2,970	358	—	358	3,328
Totals...	49,805	5,692	55,497	19,133	8,198	27,331	82,828
1903... ...	54,310	7,390	61,700	15,968	9,347	25,369	87,069

33. The mails are carried by the Pacific Steam Navigation Company by means of a four-weekly service between Valparaiso and Liverpool.

The mails between Stanley and other parts of the Colony are carried by horse, and local schooners.

More frequent insular communication is much needed. The mails between Fox Bay, the chief port on the West Falklands, and Stanley, are carried by one or other of the small fleet of three coasting schooners owned by the Falkland Islands Company, every four weeks, but, apart from the delay attendant upon wind and weather, it takes, as a rule, at least two months to get an answer from any place in the West Falklands outside Fox Bay.

34. The connection of the various camps or stations by telephone, as is done in Patagonia, would be of immense advantage to the community, and save much wear and tear of horses and men.

IX.—NAVAL AND MILITARY.

35. His Majesty's ship "Beagle" and His Majesty's ship "Dwarf" were here for a short time in January, 1904, and the former again for a few days in March. The Colony is not likely to receive regular visits from His Majesty's ships during the summer months as heretofore, the South Atlantic Squadron having been abolished. The Italian cruiser "Umbria" called at the port for a day or two at the end of December, on her way to Tierra del Fuego.

36. Work at the Naval Coaling Depôt was stopped.

37. The Volunteer Force numbered 4 officers and 87 men, and the capitation grant earned was £100, representing 50 efficients. Nearly all the non-efficients live in the country districts, and are unable to attend drills. The musketry returns continue to be satisfactory, and good practice has been made with the 2·5 R.M.L. guns. Two field days were organized with the view of repelling a supposed hostile attack on Stanley. This was a new departure, and the idea was taken up with interest by the Volunteers and ably worked out by the instructor—Sergeant-Major Watt.

X.—GENERAL.

38. Governor Grey-Wilson, C.M.G. (now Sir William Grey-Wilson, K.C.M.G.), left the Colony on 21st June, on promotion to the Government of the Bahamas. Governor W. L. Allardyce, C.M.G., lately Colonial Secretary of Fiji, assumed the Government of the Colony on 1st September, 1904.

39. The Scottish exploring vessel "'Scotia" (Dr. Bruce) returned from Buenos Aires on 31st January, 1904, and left on 9th February for the South Orkneys. She was to leave

Mr. Mossman, her meteorologist, at the winter quarters, together with an Argentine meteorologist, for another year, until relieved by an Argentine cruiser. Great interest has been evinced by Argentina in Antarctic exploration: it will be remembered that it was an Argentine cruiser which in 1903 saved the staff and men of the Swedish exploring vessel "Antarctic" (Professor Nordenskjold), which was abandoned and lost in the ice.

40. The British Antarctic exploring vessels "Discovery" (Captain Scott, R.N.), "Terra Nova" (Captain Robertson), and "Morning" (Captain Colbeck, R.N.R.) put in at Port Stanley in June and July on their way from New Zealand to England.

W. HART BENNETT,
Colonial Secretary.

7th April, 1905.

STOCK INSPECTOR'S REPORT.

Stanley,

Falkland Islands,

18th February, 1905.

SIR,

I HAVE the honour to forward to you herewith my report for 1904.

Sheep.—The number of sheep in the islands returned in May, 1904, amounts to 702,444, consisting of 349,680 males and 352,764 females, showing an increase of 21,235 as compared with 1903.

The increase is due to the good lambing during the preceding year and the exceptionally good weather throughout the year. There is a marked improvement in many of the flocks.

Wool.—The wool clip in most flocks was about half a pound better than last year, and the prices realized in England were much better than had been experienced for some years.

Lambing.—The lambing in the year has been most satisfactory, the average being about 73 per cent. A higher percentage would have been obtained, but the severe weather in the spring produced a heavy death rate.

The only live stock imported during the year were ten horses from Patagonia.

Other stock in the Colony are—

Horses, 3,200 Cattle, 4,000 Pigs, 100	Approximate.

No amendments have been made in the Scab Ordinance.

There were still a few cases of lice existing last winter among some of the smaller flocks on the East. I have not seen any this shearing.

The results from the grass seed experiment are fairly satisfactory in places where it has been sown to any extent.

I have, &c.,

J. ROBERTSON,

Chief Inspector of Stock.

The Honourable

The Colonial Secretary.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
425	Ceylon	1903
426	Gold Coast	,,
427	Lagos	,,
428	Bahamas...	1903–1904
429	Northern Territories of the Gold Coast	1903
430	Mauritius	,,
431	Seychelles	,,
432	Barbados	1903–1904
433	Southern Nigeria	1903
434	Fiji	,,
435	Straits Settlements	,,
436	Grenada	,,
437	Northern Nigeria	,,
438	Jamaica	1903–1904
439	Malta	,,
440	Bechuanaland Protectorate	1902–1903 & 1903–1904
441	British Guiana	1903–1904
442	Trinidad and Tobago	,,
443	St. Lucia...	1903
444	Basutoland	1903–1904
445	Leeward Islands	,,
446	St. Vincent	,,
447	Bermuda...	1904
448	St. Helena	,,

MISCELLANEOUS.

No.	Colony.	Subject.
19	Miscellaneous Colonies ...	Medical Reports.
20	Weihaiwei	General Report.
21	Dominica	Report on Caribs.
22	Seychelles	Report on Para Rubber.
23	Dominica	Roads and Land Settlement.
24	Grenada	Land Settlement in Carriacou.
25	Hong Kong	Bubonic Plague, 1903.
26	Northern Nigeria	Mineral and Vegetable Products
27	Miscellaneous Colonies... ...	Medical Reports.
28	Gold Coast and Sierra Leone ...	Rubber.
29	Ceylon	Geological Survey.
30	Pitcairn Island	Report by Mr. R. T. Simon.

COLONIAL REPORTS—ANNUAL.

No. 490.

FALKLAND ISLANDS.

REPORT FOR 1905.

(For Report for 1904, *see* No. 449.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1906.

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CONTENTS.

		PAGE
I.	FINANCIAL	5
II.	TRADE AND INDUSTRIES	8
III.	LEGISLATION	14
IV.	EDUCATION	14
V.	GOVERNMENT INSTITUTIONS	15
VI.	JUDICIAL	16
VII.	VITAL STATISTICS	16
VIII.	POSTAL SERVICE	19
IX.	NAVAL AND MILITARY	21
X.	GENERAL	21

STOCK INSPECTOR'S REPORT 24

No. 490.

FALKLAND ISLANDS.

(For Report for 1904, *see* No. 449.)

THE GOVERNOR to THE SECRETARY OF STATE.

Government House,

Stanley,

18th May, 1906.

MY LORD,

I HAVE the honour to transmit the enclosed report on the Blue Book of this Colony for 1905 by the Hon. H. E. W. Grant, Colonial Secretary, as also two copies of the Blue Book.

2. The report shows that notwithstanding the fact that the revenue, £15,228, was the lowest obtained since 1899, the expenditure was curtailed so as to leave a credit balance on the year's operations of £403. I am glad to think that there are indications which point to a slight increase in revenue in 1906.

3. With reference to the Dependency of South Georgia I may explain that the negotiations referred to in the report have resulted in the issue of two leases to the Argentine Fishery Company, Limited, and the South Georgia Exploration Company, Limited, respectively, of portions of that Island. The establishment of whaling depôts there means a start in the development of the most southern portion of His Majesty's Dominions.

4. The whaling industry, for which the South Atlantic used to be noted, has not restricted itself to the immediate vicinity of South Georgia, for during last December, January, and March one hundred and twenty-five whales, mostly of the Sei variety, as also a few Sperm whales, were caught within and close to the territorial waters of the Colony, thus demonstrating that the industry is one which might advantageously be developed.

5. It would seem that there is likewise a profitable field for the investment of capital in the compressing of peat and the

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production of patent fuel. The Government possesses very large reserves of peat, samples from which were transmitted to Professor Dunstan, Director of the Imperial Institute, in 1905 for analysis. His report showed that their calorific qualities were satisfactory, and that they compared favourably with peat deposits in other countries, where peat briquetting and patent fuel are established industries.

6. In this Colony there is a ready made local market for such fuel if produced at a moderate figure, as all the domestic firing in Stanley is peat, prepared in the old-fashioned way of cutting out sods and allowing them to dry by exposure to the elements, a process which entails an enormous amount of labour with inadequate results. As in the Falkland Islands, so on the coast of Patagonia, there is no timber, consequently there is a demand in all the townships and settlements for some comparatively cheap commodity vice imported coal which is very expensive.

7. As to whether sufficient facilities offer, in view of the fact that extensive areas of peat are easily accessible, and that large quantities of tallow are produced locally (the export in 1905 was nearly 5,000,000 lbs.), to make the establishment of a soap factory remunerative, is one which only those engaged in the soap industry can satisfactorily determine.

8. You will observe that a larger number of vessels than has been the case for some years past have put in here for repairs. This is due in part to a more than ordinarily tempestuous season off the Horn, and that the Falkland Islands Company have now a well-found steam tug in Stanley in addition to all the requisites for effecting rapid repairs.

I have, &c.,

W. L. Allardyce,

Governor.

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1905.

I.—FINANCIAL.

(A.) Revenue and Expenditure.

The revenue for the year ended 31st December, 1905, exclusive of receipts in respect of land sales and under the Live Stock Ordinance, was £15,229, and the expenditure £14,825, exclusive of payments under the Live Stock Ordinance.

The following are the details, as compared with 1904:—

Revenue.

Head of Revenue.	1904.	1905.
	£	£
Customs	4,097	4,761
Port dues, &c....	157	138
Licences, &c.	554	534
Fees, fines, &c.	803	799
Post Office	1,110	1,301
Rents	5,943	4,600
Miscellaneous	188	196
Interest on investments	2,837	2,900
Totals	15,689	15,229

Expenditure.

Head of Expenditure.	1904.	1905.
	£	£
Pensions	434	388
Governor	1,473	1,486
Colonial Secretary	880	754
Treasury and Customs	522	600
Audit	33	25
Port and Marine	92	65
Legal	272	204
Police	622	449
Prisons	149	368
Medical	718	658
Education	772	1,015
Ecclesiastical	428	420
Transport	197	94
Miscellaneous...	1,161	734
Post Office	2,554	3,192
Colonial Engineer	843	901
Public Works, Recurrent	1,390	1,100
Public Works, Extraordinary	356	974
Interest, &c., Savings Bank	1,149	1,196
Drawbacks and Refunds	204	166
Currency Note Fund	—	36
Totals	14,249	14,825

The annual revenue and expenditure for the years 1901-05, inclusive, were as follow:—

Year.	Revenue.	Expenditure.
	£	£
1901	15,476	17,639
1902	16,070	14,789
1903	17,393	14,346
1904	15,689	14,249
1905	15,229	14,825
Average ...	15,971	15,169

The revenue for 1905, therefore, was £742 less than the average for the five years 1901-05.

The receipts in respect of import duties on wines, malt, spirits, and tobacco amounted to £3,649, which, although £600 more than the revenue collected from the same source in 1904, showed a decrease of £400, as compared with the average of the last five years. The figures are subjoined:—

Article.	1901.	1902.	1903.	1904.	1905.	Average.
	£	£	£	£	£	£
Wine	130	163	93	86	110	116
Malt	535	543	506	301	319	441
Spirits... ...	2,248	2,259	2,472	1,899	1,872	2,150
Tobacco ...	1,633	1,614	1,354	763	1,348	1,342
Total ...	4,546	4,579	4,425	3,049	3,649	4,049

The expenditure during 1905 was £344 more than the average for the five years 1901-05.

Stock Fund.

The amount to the credit of the Stock Fund on the 31st December, 1904, was £1,219. The receipts in respect of scab rates during 1905 amounted to £807, and expenditure to £450, leaving a balance to the credit of the fund on the 31st December, 1905, of £1,576. The sum of £102 was expended in carrying out the provisions of Ordinance No. 3 of 1905, relating to the thinning of upland geese.

(B.) Assets and Liabilities.

The position of the Colony on the 31st December, 1905, in respect of its assets and liabilities, as compared with its position on the 31st December, 1904, is shown in the following table:—

—	1904.	1905.
	£	£
Assets	85,326	98,661
Liabilities ...	56,550	56,935
Excess of Assets	28,776	41,726

The increase in assets is due to the impetus which has been given by the Land Ordinance, 1903, to the purchase of lands held on lease.

(C.) Invested Funds.

The invested funds during the five years 1901-05 were as follow (cost price):—

Fund.	1901.	1902.	1903.	1904.	1905.
	£	£	£	£	£
Land Sales	26,321	27,559	27,081	27,527	40,270
Savings Bank	46,401	47,901	49,901	49,919	49,919
Intestate Estates	611	626	640	980	1,596
Notes...	1,500	2,500	2,500	3,000	3,000
Surplus Fund	—	—	—	2,500	2,300
Depreciation Fund... ...	3	22	44	72	105
Totals	74,836	78,608	80,166	83,998	97,190

(D.) Currency.

A Government paper currency is established under Order of Her late Majesty in Council, of the 7th March, 1899. The provisions of the Order are carried out by a Board of Commissioners, consisting of the Colonial Secretary, the Treasurer, and one other person nominated by the Governor.

The redemption of currency notes in circulation is a charge on the moneys and securities in the hands of the Commissioners and on the general revenue of the Colony. Notes may be issued of any of the following denominations:—

5*s*., 10*s*., £1, £5, and any multiple of £5.

A currency note is legal tender in the Colony, except by the Commissioners at their office.

The coin received in exchange for currency notes form a Note Guarantee Fund, a portion of which, not less than one-half of the value of the notes in circulation, must be kept in coin. The balance may be invested in approved securities.

The income derived from investments is applied (*a*) in paying expenses incurred under the Order, and (*b*) in the payment of 1 per cent. of the cost price of the securities to a Depreciation Fund. When the Depreciation Fund shall be not less than 10 per cent. of the investment portion of the Note Guarantee Fund, provision is made for the discontinuance of the annual apropriation of the 1 per cent. mentioned, and for the merging into general revenue of the income derived from the fund.

The denomination and value of the notes issued each year by the Commissioners, under the provisions of the Order-in-Council, are detailed below:—

Year.	£5.	£1.	5*s*.	Value.
				£
1899	100	500	—	1,000
1900	100	500	—	1,000
1901	200	1,000	2,000	2,500
1902	100	—	—	500
1903	—	400	—	400
1904	100	500	—	1,000
1905	—	200	400	300
Totals	600	3,100	2,400	6,700
Withdrawn ...	2	240	1,800	700
Leaving in circulation ...	598	2,860	600	6,000

II.—TRADE AND INDUSTRIES.

(A.) Imports and Exports.

The value of the imports was £58,155, and of the exports £167,450, as compared with £49,501 and £126,935 respectively, in 1904.

The following are the details of the imports:—

Class.	1904.	1905.
1. Live Animals, Food and Drinks, and Narcotics—	£	£
Aerated waters	241	112
Drugs, &c.	980	1,107
Fodder, corn, hay	2,241	1,700
Fruit and vegetables	1,163	1,115
Groceries, &c.	12,229	14,192
Live stock	200	837
Malt liquor	1,352	1,681
Spirits	1,582	3,397
Tobacco, cigars, &c.	721	1,601
Wine	462	581
Totals	21,171	26,323

Imports—continued.

Class.	1904.	1905.
2. RAW MATERIALS—	£	£
(*a.*) Textile	—	—
(*b.*) Metals and Minerals—		
Coal	1,063	2,649
Other	960	—
(*c.*) Other—		
Timber	1,548	1,732
Totals...	3,571	4,381
3. MANUFACTURED ARTICLES—		
(*a.*) Textile—		
Ships' chandlery	3,793	3,265*
Haberdashery	3,426	4,546
Wearing apparel, &c.	3,426	6,632
Totals...	10,645	14,443
(*b.*) Metals and Minerals—		
Hardware, &c.	5,039	5,742
(*c.*) Other—		
Furniture	1,480	1,759
Glass and earthenware...	288	380
Timber and building material...	1,246	2,527
Totals...	3,014	4,666
Totals of manufactured articles... ...	18,698	24,851
4. COIN AND BULLION	1,335	500
5. PARCEL POST	4,726	2,100†
Grand Totals...	49,501	58,155

* Includes £634, value of wire fencing.

† In addition to goods valued at £1,493, classified under the appropriate headings.

The following tables exhibit the value of the imports and exports of the Colony for the years 1896 to 1905:—

Imports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chile.	Uruguay.	Other Countries.	Total Imports
	£	£	£	£	£	£	£
1896 ...	62,641	—	—	5,198	1,705	441	69,985
1897 ...	54,225	—	250	5,375	2,794	642	63,286
1898 ...	64,992	—	—	5,171	2,119	705	72,987
1899 ...	66,733	—	1,212	4,284	1,749	—	73,978
1900 ...	59,947	—	1,176	4,364	1,461	—	66,948
1901 ...	67,638	—	169	4,407	2,558	—	74,772
1902 ...	56,756	96	1,445	3,198	2,356	—	63,851
1903 ...	58,977	2,037	907	2,115	2,380	44,968*	111,384
1904 ...	43,882	—	—	2,827	2,792	—	49,501
1905 ...	52,218	—	416	3,428	2,093	—	58,155

* Produce of pelagic sealing in South Atlantic.

Exports.

Year	United Kingdom.	British Colonies.	Argentina.	Chile.	Total Exports.
	£	£	£	£	£
1896.	132,194	—	—	—	132,194
1897.	123,186	—	—	1,937	125,123
1898.	103,700	—	3,284	—	106,984
1899.	136,345	—	2,858	—	139,203
1900.	105,912	—	5,627	—	111,539
1901.	108,338	—	1,956	—	110,294
1902.	90,838	—	—	—	90,838
1903.	160,883	—	—	—	160,883*
1904.	126,935	—	—	—	126,935
1905.	167,039	—	411	—	167,450

* Includes £44,968, value of 22,484 sealskins, produce of pelagic sealing in South Atlantic.

The following is a statement of the quantity and value of the principal items of produce exported during the last 10 years.

Item.	1896.		1897.		1898.		1899.		1900.	
	lbs.	£	lbs.	£	lbs.	£	lbs.	£	lbs.	£
Wool	4,187,628	112,139	4,301,500	107,537	4,901,222	92,206	4,823,458	118,961	4,600,000	95,833
Tallow	636,740	5,305	213,880	1,782	150,000	1,250	485,173	4,135	221,706	2,500
	No.		No.		No.		No.		No.	
Sheepskins	76,209	11,431	72,700	9,087	35,000	4,375	83,592	10,389	41,000	4,202
Hides	836	627	1,738	1,350	1,800	1,000	1,406	1,248	977	977
Sealskins	727	1,090	1,609	2,413	571	87	580	800	707	1,500

Item.	1901.		1902.		1903.		1904.		1905.	
	lbs.	£	lbs.	£	lbs.	£	lbs.	£	lbs.	£
Wool	4,373,340	89,029	4,360,260	72,761	4,023,807	103,597	4,259,420	115,359	4,251,052	141,701
Tallow	560,000	4 666	679,728	6,372	428,076	4,000	44,800	520	496,496	5,542
	No.		No.		No.		No.		No.	
Sheepskins	95,410	9,366	106,044	10,604	74,502	7,450	74,958	9,369	99,987	17,498
Hides	406	350	1,182	1,005	656	558	263	298	1,268	888
Sealskins	100	100	93	186	44,968	45,278	103	151	151	227

(B.) Pastoral Industry.

Sheep farming, which is practically the only industry of the Colony, proceeded satisfactorily. An open winter was followed by a successful lambing, and the market prices of wool ruled 25 per cent. higher than in 1904.

The Stock Inspector's report for the year is annexed.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

(C.) Shipping.

The following are the shipping statistics:—

Nationality of Vessel.	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1904.	1905.	1904.	1905.	1904.	1905.	1904.	1905.	1904.	1905.	1904.	1905.
British ..	36	31	16	7	118,294	117,940	36	31	15	5	116,134	114,481
Chilian ..	1	1	5	3	597	418	1	1	5	3	597	418
Danish ..	—	—	1	—	384	—	—	—	1	—	384	—
Dutch ..	—	—	—	1	—	291	—	—	—	1	—	291
German ..	—	—	—	2	—	2,891	—	—	—	1	—	318
Norwegian.	—	3	1	—	376	945	—	3	1	—	376	945
Russian ..	—	—	—	1	—	318	—	—	—	—	—	—
Totals ..	37	35	23	14	119,651	122,803	37	35	22	10	117,491	116,453

The following is a comparative statement of the total shipping, inwards and outwards, for the five years 1901 to 1905:—

Years.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1901 ...	33	11	44	97,878	32	9	41	96,011
1902 ...	32	14	46	100,128	32	19	51	102,518
1903 ...	32	26	58	117,147	32	21	53	112,494
1904 ...	37	23	60	119,651	37	22	59	117,491
1905 ...	35	14	49	122,803	35	10	45	116,453

The following shipping casualties occurred during the year:—

Total Wrecks.

The yawl "Chance" of Stanley (35 tons), on a voyage from that port to Keppell Island, driven ashore during the night of the 8th March, in Rouse Creek, Dunnose Head, where she had come to an anchorage for safety.

The schooner "Hornet" (54 tons), owned by the Falkland Islands Company, forced by the tide on to the reef off Plat Point, Port Salvador, on the 23rd April.

The Danish barque "Sextus" (1,707 tons), bound from Barry to Valparaiso and Iquique with a cargo of coal and coke, stranded on the north side of Volunteer Rock, Berkeley Sound, on the 27th July.

The British barque "Kirkhill" of Liverpool (1,432 tons), bound from South Shields to San Francisco, with a cargo of coke and pig iron, wrecked on the reef extending from Wolf Rocks, on the 19th September. The ship, in a crippled condition, was hugging the shore to avoid being blown to sea. The crew were obliged to take to the ship's lifeboat, and were rescued by the schooner "Fortuna" belonging to the Falkland Islands Company.

The schooner "Perseverance" of Stanley (35 tons) stranded on Tyssen Patch, Falkland Islands Sound, on the 16th September.

Vessels which sustained damage and put in to Port Stanley.

The German ship "Emilie" (1,738 tons), bound from Leith to Portland, Oregon, with a general cargo, damaged off Cape Horn. Arrived 10th September.

The British ship "Beacon Rock" (1,789 tons), bound from Liverpool to Victoria, British Columbia, with a general cargo, damaged in latitude 57° 54′ S., longitude 68° W. Arrived 12th September.

The British barque "Deudraeth Castle" (1,736 tons), bound from Shields to Carrizal, Chile, with a cargo of coke and coal. Cargo damaged off Cape Horn. Arrived 16th September.

The British barquentine "Gunford" (2,180 tons) of Guilford, bound from Port Talbot to Iquique, with cargo of coal. Damaged in latitude 30° S., longitude 60° W. Arrived 9th October.

The German barque "Paul Isenberg" (1,153 tons), bound from London to Honolulu, with general cargo, damaged off Cape Horn. Arrived 30th October.

The British ship "M. E. Watson" (1,670 tons), bound from Cardiff to Antofogasta, Chile, with cargo of coal, damaged in South Atlantic Ocean. Arrived 19th November.

In addition to the foregoing, the British barquentine "Daisy" (384 tons) of Charlotte Town, Prince Edward Island, bound from Blyth to Stanley, with general cargo, was damaged in latitude 35° 26′ S., longitude 47° 07′ W. Arrived 16th September.

III.—LEGISLATION.

Four Ordinances were passed.

Ordinance No. 1 provides for the extension to three months of the limit of time for the registration of certain agreements giving preferable liens on wool, or mortgages on stock, in cases where such agreements or mortgages are executed out of the Colony.

Ordinance No. 3 provides for appropriations from the Scab Fund to defray the cost of purchasing the beaks of upland geese, at the rate of ten shillings for every hundred, with the object of diminishing the number of those geese in the Falkland Islands.

Ordinance No. 4 makes provision for the rating of Stanley.

IV.—EDUCATION.

In Stanley, the education of children between 5 and 13 years of age is made compulsory, under the provisions of the School Attendance Ordinance, 1895. The Governor in Council is empowered to extend the law to other districts. School fees may be remitted by the Governor in cases where the parents or guardians are in indigent circumstances.

There are two Government schools in Stanley—a senior and an infant school—conducted by a schoolmaster, a schoolmistress, and two assistant mistresses. There is also a Roman Catholic school receiving temporarily a grant-in-aid from the general revenue of the Colony.

The education of the children among the scattered population of the camps is entrusted to itinerant schoolmasters, of whom five are employed by the Government. Two are in the service of the Falkland Islands Company, their beats being confined to Lafonia, the area comprising the Company's freeholds.

A school is also maintained by the Falkland Islands Company at Darwin, their settlement at the head of Choiseul Sound. It is conducted by Mr. Alex Moir, M.A.

In his report for 1905, the Inspector of Schools (the Very Reverend Dean Lowther E. Brandon, M.A.) writes as follows:—

> "There is not a single 'camp' child, capable of receiving education, who is not being taught, either by the travelling teachers, or privately—children of the sheep farmers or managers; with, however, the following exceptions, one family on Bleaker Island and another on Speedwell Island; but the parents in each case are doing what they can to educate their children themselves."

The number of children being educated in the Colony during the year 1905 was 457, classified as follows:—

——	Boys.	Girls.	Total.
Stanley—			
Government Schools—			
Senior	44	30	74
Infant	37	35	72
Roman Catholic	41	32	73
Privately	3	3	6
West Falklands—			
Government Camp (three teachers) ...	49	43	92
Privately taught	—	3	3
East Falklands—			
Government Camp (two teachers) ...	25	20	45
Privately taught	2	6	8
Darwin School	10	11	21
Falkland Islands Company's Camps (two teachers).	31	26	57
Bleaker and Speedwell Islands	5	1	6
	247	210	457

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

During the year ended 30th September, 1905, 43 accounts were opened and 41 closed, leaving a total number of 358 depositors, with balances amounting in the aggregate to £50,223 5*s.* 0*d.*, or an average of £140 5*s.* 9*d.* standing to the credit of each account. The average balance per head of the population of the Colony was £25, approximately, showing an increase, as compared with that of the previous year, of 3*s.* 9*d.*

The income earned by the bank was £1,773 9*s.* 6*d.*, and the amount paid in respect of interest and clerical assistance £1,186 2*s.* 6*d.*, showing a profit on the year's transactions of £587 7*s.* 10*d.*

VI.—JUDICIAL.

The following table summarises the criminal statistics for the five years 1901-05:—

——	1901.	1902.	1903.	1904.	1905.
Number of offences reported to police	34	50	34	80	64
Number of summary convictions—					
1. For offences against the person ...	5	8	4	5	2
2. „ „ „ property	3	6	4	1	5
3. For other offences	22	24	80	57	40
Number of Supreme Court convictions—					
1. For offences against the person ...	1	—	2	—	—
2. „ „ „ property	—	—	2	—	—
3. For other offences	—	—	—	—	—
Number of Acquittals—					
1. Inferior Court	3	12	2	16	17
2. Supreme Court	—	—	—	1	—

VII.—VITAL STATISTICS.

(A.) Population.

The estimated population of the Colony for 1905 was 2,009.

There were 59 births and 11 deaths (two from accidental drowning).

The birth-rate was 29·20 per thousand, as against 32·35 in 1904.

The death-rate was 5·40 per thousand, as against 10·95 in 1904.

Eight marriages took place during the year.

(B.) Public Health.

The public health, owing mainly to an epidemic of influenza, followed by one of measles, was not so good as in previous years; but, apart from diseases of an epidemic character, there was more than the usual amount of sickness in the Colony, especially in Stanley, where the sanitary conditions are primitive and unsatisfactory.

The question of improved sanitation in Stanley is engaging the attention of the Government, and, during the year under review, progress in that direction was marked by the construction of a new main drain.

Small-pox having broken out at Punta Arenas and Valparaiso, prompt and effective measures were taken to prevent the introduction of the disease into the Colony. Quarantine was maintained against the infected ports, and the Vaccination Ordinance actively enforced. The Colony escaped.

The following table shows the number of successful vaccinations:—

District.	Number.
Stanley	131
West Falklands	12
Darwin	5
Total...	148

(C.) Climate.

The total rainfall registered at Stanley during 1905 was 27·635 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records kept at Government House:—

Month.	Rainfall in Inches.	Maximum.	No. of days on which rain fell.
January	3·570	·860 on 23rd.	17
February	4·565	·740 „ 11th.	25
March	1·900	·490 „ 27th.	16
April	2·105	·240 „ 16th.	23
May	2·810	·400 „ 18th.	26
June	25·35	·310 „ 9th.	24
July	2·580	·610 „ 29th.	28
August	2·095	·400 „ 17th.	25
September	·355	·090 „ 25th.	12
October	1·285	·315 „ 26th.	15
November	1·070	·215 „ 17th.	12
December	2·765	·610 „ 13th.	18
	27·635		241

The mean temperature was 42° F., with a maximum of 66° F. and a minimum of 29° F. Stanley is situated latitude 51° 41′ South, longitude 57° 51′ West.

The meteorological observations detailed below were recorded at Cape Pembroke Lighthouse:—

1905.	Maximum Thermometer.			Minimum Thermometer.			Barometer.	
	Highest.	Lowest.	Average.	Highest.	Lowest.	Average.	Highest.	Lowest.
1. January ...	62	47	54	55	43	49	30·002	28·814
2. February ...	63	45	52	51	42	47	30·088	28·372
3. March ...	59	45	53	53	40	48	30·250	29·102
4. April ...	56	42	49	50	36	45	30·156	28·978
5. May ...	50	37	43	47	33	38	30·298	28·942
6. June ...	48	34	43	44	31	37	29·712	28·372
7. July ...	47	31	39	42	29	36	30·164	28·878
August ...	48	36	40	40	30	36	30·156	28·392
September	52	37	46	40	32	38	30·250	29·030
8. October ...	56	38	49	45	33	42	30·230	28·816
9. November	66	44	55	49	39	45	30·026	28·996
10. December...	66	45	55	50	37	45	30·392	22·920

1. A good deal of rain and fog.
2. Very heavy rainfall.
3. A squally, wet month.
4. A squally, wet month, heavy rain, thunder and lightning on the 27th.
5. A cold, wet month, passing showers of hail and sleet.
6. A cold, wet month, passing showers of hail and sleet.
7. The coldest month in the year, snow, hail, ice, rain and fog.
8. Dry, cold, squally weather.
9. Average weather, dry westerly winds.
10. A good deal of fog, passing showers of hail with very heavy rain.

VIII.—POSTAL SERVICE.

The revenue was £1,301, and the expenditure £3,192 (including a subsidy of £2,500 for the conveyance of mails beyond the Colony).

Telegrams are sent and received by post viâ Montevideo and Punta Arenas.

The telephone line between Stanley and Cape Pembroke Lighthouse was in working order during the year.

The Colony is in the Postal Union.

The value of the money orders issued during the last three years is shown below:—

Year.	On the United Kingdom.	On Other Places.	Total.
	£	£	£
1903	8,943	250	9,193
1904	8,540	228	8,768
1905	8,467	135	8,602

The total number of postal packets (letters, &c.) dealt with during the last five years was as under:—

Year.	Number.
1901	70,286
1902	80,058
1903	87,069
1904	82,828
1905	83,791

The British and foreign mails are conveyed by the Pacific Steam Navigation Company, by means of a four-weekly service between Liverpool and Valparaiso.

The local mails are carried on horseback and by small sail-craft.

The improvement of inter-insular mail and passenger transit is one of the pressing questions of the day, and, until a satisfactory steam service is established, the Colonists in remote districts must be content with slow, irregular, and uncertain communication both with the capital and the outside world.

During the year under review, negotiations were entered into between the Government and the Falkland Islands Company for the erection of a telephone line between Stanley and the Company's settlement at Darwin. A draft agreement has been drawn up, and it is hoped that the work of construction will be taken in hand at the beginning of the next summer.

The following statement shows in detail the number of postal packets dealt with during 1905:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and Post Cards.	17,510	6,995	24,505	15,989	6,504	22,493	46,998
Newspapers, books, &c.	28,916	1,000	29,916	1,910	1,033	2,943	32,859
Parcels ...	3,593	1	3,594	340	—	340	3,934
Totals...	50,019	7,996	58,015	18,239	7,537	25,776	83,791
1904... ...	49,805	5,692	55,497	19,133	8,198	27,331	82,828

The parcel post was established in the Falkland Islands in 1888. The "triple system" of 3 lbs. 1*s*., 7 lbs. 2*s*., and 11 lbs. 3*s*. is in force. The value of the goods imported by parcel post during the ten years ended 1905 was as follows:—

Year.	Value.
	£
1896...	769
1897...	873
1898...	1,039
1899...	1,500
1900...	3,265
1901...	2,188
1902...	3,040
1903...	3,376
1904...	4,726
1805...	3,593

IX.—NAVAL AND MILITARY.

The strength of the Volunteer Force on the 31st December, 1905, was 4 officers and 91 non-commissioned officers and men, showing an increase, as compared with the strength at the close of 1904, of four men. The capitation grant earned was £80, representing 40 efficients.

X.—GENERAL.

(A.) Important Events.

During the close of the year under review, negotiations were in progress for the lease to the Argentine Fishery Company of Buenos Aires of a portion of Grytviken Harbour, South Georgia, as a depôt for their whaling operations. An agreement has since been concluded. The Company has, amongst other things, undertaken to erect and maintain two lights, one of which will be on an island in Cumberland Bay, and the other at the entrance of Grytviken Harbour. Detailed meteorological observations will also be kept, copies of which will be furnished to the Government of the Falkland Islands.

Mr. Alexander Lange, the Manager of the whaling steamers "Admiralen," "Hanken," and "Ornen," applied for and obtained permission in December to capture whales in the territorial waters of the Colony, under certain conditions.

(B.) Official.

Mr. F. Durose, the Government Schoolmaster, was sent to England during the year, at the expense of Colonial funds, in order that he might make himself acquainted with modern school methods. He was absent from the Colony for a period of seven months, during which time his duties were performed by Mr. J. Slater, one of the Itinerant Schoolmasters.

A re-arrangement of Government offices was effected which has greatly accelerated the despatch of public business. The Post Office, previously included in the Treasurer's Department, was erected into a separate establishment, with Mr. G. Hurst (formerly Magistrate of West Falklands) as Postmaster. Mr. Hurst was also appointed to be Manager of the Savings Bank, Registrar-General, and Official Administrator. The office of Magistrate of West Falklands was abolished.

The Colonial Secretary, Mr. W. Hart-Bennett, left the Colony in July, on being promoted to be Colonial Secretary

of the Bahamas. Mr. H. E. W. Grant, Barrister-at-Law, and Acting Colonial Secretary of British Honduras, was selected to be his successor. Mr. Grant arrived in Stanley and assumed the duties of his office on the 14th February last.

Mr. W. A. Thompson, the Treasurer, acted as Colonial Secretary from the 19th July to the 30th September. The duties of the post were assumed by His Excellency the Governor on the 1st October.

(C.) Public Works.

During the year under review, Barrack Road in Stanley was broadened, drained, and metalled throughout, and Hebe Street was substantially repaired. A section of the seawall in the dockyard was rebuilt.

Many of the Government buildings were overhauled and painted. A much-needed room was erected at the Deanery, the hot-house at Government House was enlarged, the parcel post room at the Post Office was extended, additions were made to the Treasurer's office, the accommodation at the Colonial Surgeon's quarters was improved, and extensive repairs were effected to the Colonial Secretary's house.

Progress was made with the erection of a new Government school house on a site centrally situated. The building when completed will be a spacious and substantial structure, and will provide accommodation for both the senior and infant schools. It is estimated that it will cost £1,600.

(D.) Future Prospects.

The windswept, treeless Falkland Islands owe their present prosperity almost entirely to the prosecution of the sheep-farming industry. As the carrying capacity of the camps, however, is strictly limited, it is only by the utilisation of wide tracts of land that the industry can be made to pay. There are two points to which the attention of farmers might be directed with advantage (1) the improvement of their flocks by the introduction of fresh stock in conjunction with the careful selection of that already existing, and (2) the systematic planting of extended areas of imported grasses. The improvement of stock is of first importance, and, if undertaken steadily, would no doubt lead to a considerable increase in the output of wool.

It would seem, however, that the Colony has an asset of great value in its extensive peat deposits. Efforts are being made to turn them to account. There is no reason why the demand for fuel on the neighbouring mainland should not be supplied from these Islands. The suitability of Falklands peat

for briquette purposes can only be demonstrated by actual trial, but a recent report from Professor Dunstan of the Imperial Institute, on the results of the examination of various specimens, points to the fact that the deposits can be satisfactorily converted into patent fuel.

H. E. W. GRANT,
Colonial Secretary.

Stanley,
14th May, 1906.

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK, FOR THE YEAR 1905.

Stanley,

Falkland Islands,

16th March, 1906.

SIR,

I HAVE the honour to submit my Annual Report for the year ending the 31st December, 1905.

Sheep.—The total number of sheep in the Colony at the end of May, 1905, was 700,894. This represents an increase of 1,450, taking into consideration that one farm, capable of grazing 3,000 sheep, was not stocked.

Wool.—The clip was in some cases below the average as regards weight, but was good and clean, and realised an appreciable advance on last season's prices.

It is most satisfactory to note that in cases where farmers have imported rams, and where attention has been paid to the selection and culling of ewes, good results have been obtained. For instance, the yield of wool in some flocks within the last few years has risen from 5 to 8½ lbs. per sheep. But there is considerable room for further improvement, and farmers would do well to import more pure blood, or even pay a fair price for locally-bred rams, and so establish their flocks on a better foundation.

There are two pure bred flocks in the Islands, viz., Romney Marsh, at Darwin, and Lincolns, at Dunnose Head. The Romneys, in my opinion, are to be preferred as best suited to all the conditions of the camp. The Lincolns do not seem to thrive or increase so well on wet as on dry camp, but are wool producers in suitable places. Several farmers have imported

merino rams. I do not think that they will improve their flocks greatly by this cross, if carried to any extent.

Shropshires have also been imported and the progeny from the pure bred are very good. This class of sheep is a fine mutton sheep, but not a wool producer.

Lambing.—The results in this respect were satisfactory, for while the percentage in some flocks was as low as 50 per cent., the percentage in the majority of cases was 75 per cent. to 88 per cent.

Dipping.—Although the work of dipping the sheep was generally well done, lice-infested sheep were found on several new stations. I am convinced that if farmers would only take a little more care when dipping their flocks they would not have much trouble with lice or ticks.

Live stock exported:—

872 to Punta Arenas.

157 to Gallegos.

The live stock imported during the year were as follows:—

5 Romney Marsh rams from England.

52 horses from Patagonia.

There are four essentials if success in dipping is to be secured:—

1. A thorough muster of all sheep.
2. A properly prepared dip.
3. The sheep must be dry before dipping.
4. The weather must be suitable.

An Ordinance amending the Live Stock Ordinance, 1901, and making provision for the diminishing of geese came into force on 1st October. The number of beaks to be purchased for the year for the East and West Falklands, respectively, were:—

East Falklands, 25,000.

West Falklands, 25,000.

The number purchased on the—

East Falklands was 24,530.

West Falklands was 248.

The grass seed sowing experiment is not being followed up as energetically as it should be. The few farmers who have sown seed have had very fair results. I am persuaded, from what I have seen, that if the sowing was carried on systematically on the good camp, in sheltered places, &c., and not in peaty land, results would be obtained which would considerably improve the carrying capacity of the land. The experiments at Darwin, Hill Cove, and Lively Island, have been eminently successful.

I have, &c.,

J. ROBERTSON,
Chief Inspector of Stock.

The Honourable
The Colonial Secretary.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
462	Malta	1904–1905
463	Grenada	1904
464	St. Vincent	,,
465	Gold Coast	,,
466	Barbados	1904–1905
467	Uganda Protectorate	,,
468	Somaliland Protectorate	,,
469	Trinidad and Tobago	,,
470	Lagos	1904
471	Bahamas	1904–1905
472	British Central Africa	,,
473	Mauritius	1904
474	Fiji	,,
475	East Africa Protectorate	1904–1905
476	Northern Nigeria	1904
477	British Guiana	1904–1905
478	Leeward Islands	,,
479	Bechuanaland Protectorate	,,
480	Basutoland	,,
481	Ceylon	1904
482	St. Lucia	,,
483	Ashanti	1905
484	Bermuda	,,
485	Hong Kong	,,
486	St. Helena	,,
487	Weihaiwei	,,
488	Gold Coast	,,
489	Seychelles	,,

MISCELLANEOUS.

No.	Colony.	Subject.
26	Northern Nigeria	Mineral and Vegetable Products.
27	Miscellaneous Colonies ...	Medical Reports.
28	Gold Coast and Sierra Leone	Rubber.
29	Ceylon...	Geological Survey.
30	Pitcairn Island	Report by Mr. R. T. Simon.
31	Northern Nigeria	Cotton, &c.
32	Do. Do.	Mineral Survey.
33	Southern Nigeria	Do.
34	Montserrat	Agricultural Industry.
35	Antigua and St. Kitts-Nevis.	Sugar.
36	West Indies	Work of Imperial Department of Agriculture.

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1906.

COLONIAL REPORTS—ANNUAL.

No. 522.

FALKLAND ISLANDS.

REPORT FOR 1906.

(For Report for 1905, *see* No. 490.)

Presented to both Houses of Parliament by Command of His Majesty.

June, 1906.

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1907.

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CONTENTS.

		PAGE
I.	FINANCIAL	4
II.	TRADE AND INDUSTRIES	7
III.	LEGISLATION	12
IV.	EDUCATION	12
V.	GOVERNMENT INSTITUTIONS	12
VI.	JUDICIAL	13
VII.	VITAL STATISTICS	13
VIII.	POSTAL SERVICE, &c.	16
IX.	NAVAL AND MILITARY	18
X.	GENERAL	18
	ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1906	20

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No. 522.

FALKLAND ISLANDS.

(For Report for 1905, *see* No. 490.)

THE GOVERNOR to the SECRETARY OF STATE.

Government House,
Stanley,
17th April, 1907.

MY LORD,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1906 which has been prepared by the Honourable H. E. W. Grant, Colonial Secretary.

I have, &c.,

W. L. ALLARDYCE,
Governor.

The Right Honourable
The Earl of Elgin, K.G.,
&c., &c., &c.

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REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1906.

I.—FINANCIAL.

(A.) Revenue and Expenditure.

The revenue for the year ended 31st December, 1906, exclusive of receipts in respect of land sales and under the Live Stock Ordinance, was £15,822, and the expenditure £15,692, exclusive of payments under the Live Stock Ordinance.

The following are the details, as compared with 1905:—

Revenue.

Head of Revenue.	1905.	1906.
	£	£
Customs	4,761	4,947
Port dues, &c....	138	151
Licences, &c.	534	530
Fees, fines, &c.	799	1,051
Post Office	1,301	1,129
Rents	4,600	4,455
Miscellaneous	196	193
Interest on investments	2,900	3,366
Totals	15,229	15,822

Expenditure.

Head of Expenditure.	1905.	1906.
	£	£
Pensions	388	325
Governor	1,486	1,456
Colonial Secretary	754	833
Treasury and Customs	600	665
Audit	25	28
Port and Marine	65	86
Legal	204	17
Police	449	445
Prisons	268	237
Medical	658	635
Education	1,015	1,036
Ecclesiastical	420	420
Transport	94	348
Miscellaneous...	734	758
Post Office	3,192	3,249
Colonial Engineer	901	831
Public Works, Recurrent	1,100	1,197
Public Works, Extraordinary	974	1,418
Interest, &c., Savings Bank	1,196	1,220
Drawbacks and Refunds	166	439
Currency Note Fund	36	49
Totals	14,825	15,692

The annual revenue and expenditure for the years 1902 to 1906, inclusive, were as follows:—

Year.	Revenue.	Expenditure.
	£	£
1902	16,070	14,789
1903	17,393	14,346
1904	15,689	14,249
1905	15,229	14,825
1906	15,822	15,692
Average ...	16,040	14,780

The average expenditure, therefore, during the last five years was £1,260 less than the average revenue.

The receipts in respect of import duties on wines, malt, spirits, and tobacco amounted to £3,907, or £258 more than the revenue collected from the same sources in 1905. The total average receipts under these heads, as compared with the average for the last five years, was maintained, as will be seen from the subjoined table:—

Article.	1902.	1903.	1904.	1905.	1906.	Average.
	£	£	£	£	£	£
Wine	163	93	86	110	91	109
Malt	543	506	301	319	384	411
Spirits... ...	2,259	2,472	1,899	1,872	1,920	2,084
Tobacco ...	1,614	1,354	763	1,348	1,512	1,318
Totals ...	4,579	4,425	3,049	3,649	3,907	3,922

Stock Fund.

The amount to the credit of the Stock Fund on the 31st December, 1905, was £1,576. The receipts in respect of the land tax levied under the Live Stock Ordinance during 1906 amounted to £807, and expenditure to £566, leaving a balance to the credit of the fund on the 31st December, 1906, of £1,817. The sum of £236 was expended in carrying out the provisions of Ordinance No. 3 of 1905, relating to the thinning of upland geese.

(B.) Assets and Liabilities.

The position of the Colony on the 31st December, 1906, in respect of its assets and liabilities, as compared with its position on the 31st December, 1905, is shown on page 6.

Assets and Liabilities.

Head.	1905.	1906.
	£	£
Assets	98,661	110,185
Liabilities ...	56,935	58,709
Excess of Assets	41,726	51,476

The increase in the available assets of the Colony is due to the sale of Crown lands hitherto held on lease.

(C.) Invested Funds.

The invested funds during the five years 1902-6 were as follow (cost price):—

Fund.	1902.	1903.	1904.	1905.	1906.
	£	£	£	£	£
Land Sales	27,559	27,081	27,527	40,270	50,181
Savings Bank	47,901	49,901	49,919	49,919	49,919
Intestate Estates	626	640	980	1,596	1,641
Currency Notes	2,500	2,500	3,000	3,000	3,300
Surplus	—	—	2,500	2,300	3,500
Currency Note Depreciation	22	44	72	105	140
Totals	78,608	80,166	83,998	97,190	108,681

The market value of the investments on the 31st December, 1906, was as follows:—

Fund.	Market Value.
	£
Land Sales	50,290
Savings Bank	48,609
Intestate Estates	1,564
Currency Notes	3,134
Surplus	3,500
Currency Note Depreciation	140
Total	107,237

(D.) Currency.

The conditions under which a Government paper currency has been established under Order of Her late Majesty in Council of the 7th March, 1899, are stated in the report on the Blue Book of the Colony for the year 1905.

The denomination and value of the notes in circulation at the end of the year 1906 were as under:—

Denomination.	Value.
	£
£5	2,920
£1	3,567
5s.	113
Total value ...	6,600

II.—TRADE AND INDUSTRIES.

(A.) Imports and Exports.

The value of the imports was £66,433, and of the exports, £185,227, as compared with £58,155 and £167,450, respectively, in 1905.

The following are the details of the imports:—

Class.	1905.	1906.
1. Live Animals, Food and Drinks, and Narcotics—	£	£
Aerated waters	112	287
Drugs, &c.	1,107	1,323
Fodder, corn, hay	1,700	2,015
Fruit and vegetables	1,115	781
Groceries, &c.	14,192	13,449
Live stock	837	2,947
Malt liquor	1,681	2,024
Spirits	3,397	3,540
Tobacco, cigars, &c.	1,601	2,587
Wine	581	679
Totals	26,323	29,632
2. Raw Materials—		
(*a.*) Textile	—	—
(*b.*) Metals and Minerals—		
Coal	2,649	748
Other	—	764
(*c.*) Other—		
Timber	1,732	3,552
Totals...	4,381	5,064

Imports—continued.

Class.	1905.	1906.
3. MANUFACTURED ARTICLES—	£	£
(*a.*) Textile—		
Ships' chandlery	3,265	4,108*
Haberdashery	4,546	6,368
Wearing apparel, &c.	6,632	6,492
Totals...	14,443	16,968
(*b.*) Metals and Minerals—		
Hardware, &c.	5,742	7,503
(*c.*) Other—		
Furniture	1,759	2,339
Glass and earthenware...	380	673
Timber and building material...	2,527	3,754
Totals...	4,666	6,766
Totals of manufactured articles... ...	24,851	31,237
4. COIN AND BULLION	500	500
5. PARCEL POST	2,100	—†
Grand Totals...	58,155	66,433

* Includes £620, value of wire fencing.
† Value £5,894, included in the appropriate classes.

The following tables exhibit the value of the imports and exports of the Colony for the years 1897 to 1906:—

Imports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chile.	Uruguay.	Other Countries.	Total Imports.
	£	£	£	£	£	£	£
1897 ...	54,225	—	250	5,375	2,794	642	63,286
1898 ...	64,992	—	—	5,171	2,119	705	72,987
1899 ...	66,738	—	1,212	4,284	1,749	—	73,978
1900 ...	59,947	—	1,176	4,364	1,461	—	66,948
1901 ...	67,638	—	169	4,407	2,558	—	74,772
1902 ...	56,756	96	1,445	3,198	2,356	—	63,851
1903 ...	58,977	2,037	907	2,115	2,380	44,968*	111,384
1904 ...	43,882	—	—	2,827	2,792	—	49,501
1905 ...	52,218	—	416	3,428	2,093	—	58,155
1906 ...	58,867	—	886	4,794	1,886	—	66,433

* Produce of pelagic sealing in South Atlantic.

Exports.

Year	United Kingdom.	British Colonies.	Argentina.	Chile.	Norway.	Total Exports.
	£	£	£	£	£	£
1897.	123,186	—	—	1,937	—	125,123
1898.	103,700	—	3,284	—	—	106,984
1899.	136,345	—	2,858	—	—	139,203
1900.	105,912	—	5,627	—	—	111,539
1901.	108,338	—	1,956	—	—	110,294
1902.	90,838	—	—	—	—	90,838
1903.	160,883	—	—	—	—	160,883*
1904.	126,935	—	—	—	—	126,935
1905.	167,039	—	411	—	—	167,450
1906.	181,439	—	—	250	3,538	185,227

* Includes £44,968, value of 22,484 sealskins, produce of pelagic sealing in South Atlantic.

The following is a statement of the quantity and value of the principal items of produce exported during the last 10 years :—

Item.	1897.		1898.		1899.		1900.		1901.	
	lbs.	£	lbs.	£	lbs.	£	lbs.	£	lbs.	£
Wool	4,301,500	107,537	4,801,222	92,206	4,823,458	118,961	4,600,000	95,833	4,373,340	89,029
Tallow	213,880	1,782	150,000	1,250	485,173	4,135	221,706	2,500	560,000	4,666
	No.		No.		No.		No.		No.	
Sheepskins	72,700	9,087	35,000	4,375	83,592	10,389	41,000	1,202	95,410	9,366
Hides	1,738	1,350	1,800	1,000	1,406	1,248	977	977	406	350
Sealskins	1,609	2,413	571	787	580	800	707	1,500	100	100

Item.	1902.		1903.		1904.		1905.		1906.	
	lbs.	£	lbs.	£	lbs.	£	lbs.	£	lbs.	£
Wool	4,360,260	72,761	4,023,807	103,597	4,259,420	115,359	4,251,052	141,701	4,324,215	162,158
Tallow	679,728	6,372	428,076	4,000	44,800	520	496,496	5,542	481,600	5,375
	No.		No.		No.		No.		No.	
Sheepskins	106,044	10,604	74,502	7,450	74,958	9,369	99,987	17,498	62,371	10,915
Hides	1,182	1,005	656	558	263	298	1,268	888	723	723
Sealskins	93	186	44,968	45,278	103	151	151	227	325	228

(B.) Pastoral Industry.

The Stock Inspector's report for the year is annexed.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

(C.) Shipping.

The following are the shipping statistics:—

Nationality of Vessel.	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1905.	1906.	1905.	1906.	1905.	1906.	1905.	1906.	1905.	1906.	1905.	1906.
British ..	31	33	7	10	117,940	127,383	31	33	5	10	114,481	130,712
Chilian ..	1	2	3	2	418	626	1	1	3	1	418	313
Danish ..	—	—	—	1	—	199	—	—	—	1	—	199
Dutch ..	—	—	1	—	291	—	—	—	1	—	291	—
French ..	—	—	—	1	—	1,696	—	—	—	—	—	—
German ..	—	—	2	2	2,891	3,033	—	—	1	4	318	5,924
Italian ..	—	—	—	1	—	1,133	—	—	—	—	—	—
Norwegian.	3	4	—	—	945	1,867	3	4	—	—	945	1,867
Russian ..	—	—	1	—	318	—	—	—	—	—	—	—
U.S. America	—	—	—	1	—	1,533	—	—	—	1	—	1,533
Totals ..	35	39	14	18	122,803	137,470	35	38	10	17	116,453	140,548

The following is a comparative statement of the total shipping, inwards and outwards, for the five years 1902 to 1906:—

Year.	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1902 ...	32	14	46	100,128	32	19	51	102,518
1903 ...	32	26	58	117,147	32	21	53	112,494
1904 ...	37	23	60	119,651	37	22	59	117,491
1905 ...	35	14	49	122,803	35	10	45	116,453
1906 ...	39	18	57	137,470	38	17	55	140,548

The following shipping casualties occurred during the year:—

Total Wrecks.

The schooner "Fortuna," of Stanley (164 tons), belonging to the Falkland Islands Company, Limited, on a voyage from Stanley to Fox Bay, viâ San Carlos, stranded on West Island, in the Falkland Sound, on the night of the 19th May.

The French barque "Cassard" (1,719 tons), bound from Sydney, New South Wales, to Falmouth, for orders, with a cargo of wheat, stranded on the south-westerly point of Bleaker Island on the evening of the 20th May.

III.—LEGISLATION.

Seven ordinances were passed.

Ordinance No. 2 amends the tariff in respect of the duty on spirits.

Ordinance No. 3 places whaling operations in the territorial waters of the Colony under the control of the Government.

Ordinance No. 5 declares the law regulating pensions, gratuities, and other allowances to public officers.

Ordinances Nos. 6 and 7 amend the law relating to land.

IV.—EDUCATION.

The number of children being educated in the Colony during the year 1906 was 428, classified as follows:—

—	Boys.	Girls.	Total.
Stanley—			
Government Schools—			
Senior	46	31	77
Infant	26	36	62
Roman Catholic	35	30	65
Privately	3	4	7
West Falklands—			
Government Camp (three teachers) ...	52	45	97
Privately taught	4	—	4
East Falklands—			
Government Camp (two teachers) ...	22	18	40
Privately taught	9	10	19
Darwin School	11	14	25
Falkland Islands Company's Camps (two teachers).	17	15	32
Totals ...	225	203	428

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

During the year ended 30th September, 1906, 46 accounts were opened and 53 closed, leaving a total number of 351 depositors, with balances amounting in the aggregate to £52,661 4*s.* 5*d.*, or an average of a fraction over £150 standing to the credit of each account. The average balance per head of the population of the Colony was £25 10*s.*, approximately showing an increase as compared with that of the previous year of 10*s.*

The income earned by the bank was £1,650 16*s.* 8*d.*, and the amount paid in respect of interest £1,139 8*s.* 5*d.*, leaving a profit on the year's transactions of £511 8*s.* 3*d.*

The investments on account of the bank on the 30th September, 1906, amounted to £49,968 12*s.* 10*d.*

VI.—JUDICIAL.

The following table summarises the criminal statistics for the five years 1902 to 1906:—

—	1902.	1903.	1904.	1905.	1906.
Number of offences reported to the police.	50	94	80	64	57
Number of summary convictions—					
1. For offences against the person ...	8	4	5	2	3
2. „ „ „ property ...	6	4	1	5	1
3. For other offences	24	80	57	40	29
Number of Supreme Court convictions—					
1. For offences against the person ...	—	2	—	—	2
2. „ „ „ property ...	—	2	—	—	—
3. For other offences	—	—	—	—	—
Number of Acquittals—					
1. Inferior Court	12	2	16	17	22
2. Supreme Court	—	—	1	—	—

The acquittals were chiefly in respect of charges of a minor character.

VII.—VITAL STATISTICS.

(A.) Population.

The estimated population of the Colony for 1906 was 2,065, as against 2,009 for 1905.

There were 56 births and 17 deaths, as against 59 births and 11 deaths in 1905. The deaths included 4 of persons aged 60 years and upwards. Two deaths were caused by accidental drowning, and two occurred on board ship.

The birth-rate was 27·11 per 1,000, as against 29·20 in 1905.

The death-rate was 8·23 per 1,000, as against 5·40 in 1905.

Eight marriages took place during the year.

(B.) Public Health.

There was a slight improvement in the public health during the year 1906. The chief causes of sickness were, as usual, affections of the respiratory system. Bronchitis was prevalent. The outbreak of measles which occurred during the latter end

of 1905 terminated in February of the year under review. With the exception of this outbreak, which accounted for one death, the Colony remained free from attacks of infectious disease.

The number of cases under medical treatment during the year (exclusive of those treated in Darwin and the North Camp, in respect of which districts no returns have been received), was as follows:—

District.	No. of cases.
Stanley	1,072
West Falklands	229
Total	1,301

The Government nurse rendered valuable services, attending 57 cases, and paying 1,159 visits. She also frequently assisted at the Colonial Surgery. The need for a properly trained nurse and midwife in Stanley has been amply demonstrated.

Vaccination made steady progress. The known number of successful cases is stated below:—

District.	No. of cases.
Stanley	72
West Falklands	13
Total	85

No returns relating to vaccinations in Darwin and the North Camp have been received.

Three vessels were placed in quarantine.

The quarantine station at the naval range has been abandoned, and a new station established in a building, rented from the Admiralty for the purpose, at the naval depôt. An isolation ward has also been equipped. As the Colony hitherto was destitute of hospital accommodation for cases of dangerous infectious disease, a most important step has been made in the direction of safe-guarding the health of the community.

Owing to lack of funds no prominent work was undertaken during 1906 for the improvement of the sanitation of Stanley. The sanitary inspection of premises and the cleaning of open drains, however, were more complete than heretofore.

The Colonial Surgeon reports that "the sewerage of the town is a matter of grave urgency. The system, as at present constituted, is a potential centre of disease."

(C.) Climate.

The total rainfall registered at Stanley during 1906 was 25·660 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records kept at Government House.

Month.	Rainfall in Inches.	Maximum. Inches.	No. of days on which rain fell.
January	2·085	·840 on 21st	12
February	1·870	·405 „ 2nd	17
March	2·665	·370 „ 3rd and 10th	23
April	2·155	·610 on 13th	11
May	2·215	·600 „ 8th	22
June	2·900	1·120 „ 4th	23
July	2·095	·660 „ 16th	20
August	1·485	·350 „ 3rd	20
September	·915	·235 „ 4th	16
October	2·325	·660 „ 5th	17
November	1·610	·420 „ 16th	13
December	3·340	·800 „ 18th	23
Total	25·660	—	217

The meteorological observations detailed below were recorded at Cape Pembroke Lighthouse:—

1906.	Maximum Thermometer.			Minimum Thermometer.			Barometer.	
	Highest.	Lowest.	Average.	Highest.	Lowest.	Average.	Highest.	Lowest.
	°	°	°	°	°	°	Inches.	Inches.
1. January ...	69	48	59	59	44	49	30·118	28·986
2. February ...	66	46	53	53	43	46	30·058	28·880
3. March ...	64	44	50	51	39	43	29·936	28·684
4. April ...	57	40	43	46	33	38	30·306	28·852
5. May ...	51	34	40	44	26	34	30·244	28·470
6. June ...	46	33	40	43	28	37	30·266	29·080
7. July ...	44	29	38	40	19	36	30·544	28·638
8. August ...	47	35	41	41	31	37	30·180	28·970
September	51	34	44	41	32	38	30·544	28·730
9. October ...	52	39	47	43	35	41	30·232	28·880
10. November	62	43	51	48	35	44	30·058	28·916
11. December...	62	42	53	52	36	46	29·860	29·028

1. A good deal of fog (Summer). 2. Squally weather, with passing showers.
3. Squally weather, with passing showers.
4. Squally weather, with passing hail and snow.
5. A good deal of snow and hail.
6. Dull cold weather. Very heavy ground sea, S.E.
7. Cold. Snow and ice. The coldest month in the year.
8. Cold, wet and fog. 9. Squally, showery, fog and mist. 10. Dry and windy
11. Showery, and at times squally. Hail showers on 2nd and 8th (Summer).

VIII.—POSTAL SERVICE, &c.

The revenue was £1,129, and the expenditure £3,249 (including a subsidy of £2,500 for the conveyance of mails beyond the Colony).

The Colony is in the Postal Union.

Telegrams are sent and received by post viâ Montevideo and Punta Arenas.

The value of the money orders issued during the last three years is shown below:—

Year.	On the United Kingdom.	On Other Places.	Total.
	£	£	£
1904	8,540	228	8,768
1905	8,467	135	8,602
1906	8,056	145	8,201

The total number of postal packets (letters, &c.) dealt with during the last five years was as under:—

Year.	Number.
1902	80,058
1903	87,069
1904	82,828
1905	83,791
1906	83,201

The following statement shows in detail the number of postal packets dealt with during 1906:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and Post Cards.	16,574	7,544	24,118	17,619	8,214	25,833	49,951
Newspapers, books, &c.	25,026	1,200	26,226	1,496	1,097	2,593	28,819
Parcels ...	4,080	—	4,080	351	—	351	4,431
Totals ...	45,680	8,744	54,424	19,466	9,311	28,777	83,201
1905 ...	50,019	7,996	58,015	18,239	7,537	25,776	83,791

The parcel post was established in the Falkland Islands in 1888. The "triple system" of 3 lbs. 1*s*., 7 lbs. 2*s*., and 11 lbs. 3*s*. is in force. The value of the goods imported by parcel post during the ten years ended 1906 was as follows:—

Year.	Value.
	£
1897...	873
1898...	1,039
1899...	1,500
1900...	3,265
1901...	2,188
1902...	3,040
1903...	3,376
1904...	4,726
1905...	3,593
1906	5,894

The British and foreign mails are conveyed by the Pacific Steam Navigation Company, by means of a four-weekly service between Liverpool and Valparaiso.

The local mails are carried on horse-back and by small sailing vessels. Those between Stanley and the West Falklands are conveyed by the schooners of the Falkland Islands Company, but not under a formal agreement. Owing to the unfortunate loss by the Company in May of one of their schooners (the "Fortuna"), the inter-insular mail service was, at times, dislocated. The "Fortuna," however, has been replaced by the "Gwendolin" (85 tons), and the Company have also acquired another schooner of the auxiliary type, which is expected to arrive shortly from England.

Until a steam service is established it is doubtful whether the carriage of mails and passengers between the East and West Falklands will ever be on an entirely satisfactory footing.

The telephone line between Stanley and Cape Pembroke lighthouse continued to work well during the year.

A telephone exchange was established in Stanley in September, effecting communication between Government House, the Colonial Secretary's office, the gaol, the office of the Falkland Islands Company, and Cape Pembroke lighthouse.

An agreement has been arrived at between the Government and the Falkland Islands Company for the erection of a telephone line between Stanley and the Company's settlement at Darwin. The construction of the line, which is in the hands of the Company, has been undertaken with vigour, and is rapidly approaching completion. The upland goose has proved to be a source of trouble in carrying out this work, the force with which the bird, in the course of its flight, sometimes strikes the wire being sufficient to break it.

IX.—NAVAL AND MILITARY.

The strength of the Volunteer force on the 31st December, 1906, was 4 officers and 94 non-commissioned officers and men, showing an increase, as compared with the strength at the close of 1905, of 3 men. The capitation grant earned was £82, representing 41 efficients.

X.—GENERAL.

(A.) Notable Events.

An agreement was entered into in March with the South Georgia Exploration Company, of Punta Arenas, under which the Company was granted for a term of years certain mineral rights and rights of pasturage in South Georgia.

Mr. Alexander Lange, the manager of the whaling steamers "Admiralen," "Hauken," "Ornen," and "Vesterlide," applied for and obtained a licence to take whales in the territorial waters of the East and West Falklands and South Shetlands.

A new memorial tablet was placed over the grave of the late Mr. Matthew Brisbane at Port Louis, the former capital of the Colony, on the 3rd April. His Excellency the Governor delivered an address on the occasion. The inscription on the old tablet (which notwithstanding the ravages of over 60 years of Falklands weather was still decipherable) was reproduced on the new. It runs as follows:—

"To the memory of Mr. Matthew Brisbane, who was barbarously murdered on the 26th August, 1833.

"In the command of the Beaufoy cutter, he was the zealous companion of Captain James Weddell, during his enterprising voyage to beyond the 74th degree of South Latitude, in February, 1823.

"His remains were removed to this spot by the crews of H.B.M. Ships "Erebus" and "Terror," on the 25th August, 1842."

Commodore Onslow, in His Majesty's Ship "Clio," had hoisted the British flag at Port Louis, on the 2nd January, 1833, and left the Settlement in charge of Mr. Dickson, the Agent of Mr. Lewis Vernet, of Buenos Aires, who had colonised the East Falkland. Mr. Matthew Brisbane had been despatched by Mr. Vernet to Port Louis, to take charge, in April of the year in which he was murdered.

A Flower and Industrial Exhibition was held in Stanley on the 27th April.

Sunday, the 20th May, was observed as "Empire Sunday," and the 24th May as "Victoria Day."

Mr. H. M. Richards, I.S.O., one of His Majesty's Inspectors of Schools, visited Stanley and examined the schools in August.

Towards the end of the year, negotiations were entered into for the grant of a monopoly of the Government reserves of peat to a company to be formed in Buenos Aires.

(B.) Official.

As stated in the report for 1905, Mr. H. E. W. Grant, Barrister-at-law, and Acting Colonial Secretary of British Honduras, succeeded Mr. W. Hart Bennett as Colonial Secretary, and assumed the duties of his office on the 14th February.

(C.) Public Works.

The erection of the new Government schoolhouse was completed. The building is commodious, well designed for its purpose, and centrally situated. It should mark an epoch in the advancement of the educational facilities of the Colony.

(D.) Future Prospects.

The future prospects of the Colony give no occasion for anxiety. Wool, sheepskins, and tallow are realising high prices, and there is no indication at present that these will not be maintained. Whale-fishing in the territorial waters of the Colony has been placed on a satisfactory basis, and it is hoped that the negotiations in progress for turning to account the Crown reserves of peat will result in the establishment of a patent-fuel industry. It will be conceded, the writer of this report ventures to think, that the record of the Government for the past year in endeavouring to advance the material welfare of the community has been a good one. With a small staff (the Governor of the Falklands is his own Colonial Engineer) and limited funds as much has been accomplished as could reasonably be expected. Plans have been laid for the future with regard to improving the sanitation of Stanley, and settling the question of regular and efficient communication between the islands.

H. E. W. Grant,
Colonial Secretary.

Stanley,
6th April, 1907.

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1906.

THE CHIEF INSPECTOR OF STOCK to the COLONIAL SECRETARY.

Stanley,
9th March, 1907.

SIR,

I HAVE the honour to submit herewith my Annual Report for the year ended the 31st December, 1906.

The season, though variable, has, on the whole, been very favourable for stock and grass.

Sheep.—The total number of sheep in the Colony at the end of May, 1906, was 702,696. This shows an increase of 1,802, as compared with the number for the year ended on the 31st May, 1905.

Wool.—The clip was good, and realised advanced prices.

Lambing.—The results were satisfactory, averaging about 75 per cent.

Dipping.—A fair amount of attention was bestowed on the flocks in this respect, and sheep, generally, are very free from parasites. If farmers only took the trouble to consider the financial gain to be derived by keeping their sheep clean, they would probably be more careful in their mode of dipping. In some cases, mustering is evidently not so close as is necessary to secure the best results.

The live stock imported during the year were as follows:—

22 Romney Marsh rams, from England.
10 Romney Marsh rams, from New Zealand.
2 Devon bulls, from England.
2 Devon heifers, from England.
154 Horses from Patagonia.

Unfortunately, the best Romney Marsh ram died while being driven to its destination.

Live stock exported:—

250 rams to Patagonia.

Geese.—A decrease is noticeable in some parts, while in others very little diminution is apparent. The number of beaks to be purchased for the year for the East and West Falklands, respectively, were:—

East Falklands, 50,000.
West Falklands, 50,000.

The number purchased on the East Falklands was 23,260, West Falklands, 21,700.

Grass Seed.—During 1906 several farmers experimented with various grass seeds, but not to any great extent. I am convinced, from personal observation, that cocksfoot grass seed, if sown in the early spring in sheltered places, such as valleys, and in soil other than peat, would grow well, and my experience is that it is one of the best artificial grasses to suit all purposes. If farmers followed up this sowing systematically, the carrying capacity of their land would be greatly increased, and they would be amply repaid.

Owing to a dry summer and high winds, sand has been breaking out in several places, especially in the dry camp, and where there is a tendency to overstock—also in localities where there has been burning at the wrong time of the year. His Excellency the Governor has kindly distributed sand-binding grass seeds to check this breaking away.

I am pleased to report that a few of the farmers on the West Falklands are draining all their swamps and cutting out all their ditches. This will certainly improve the land, and result in a large saving in the death-rate among the sheep.

I have, &c.,

J. ROBERTSON,

Chief Stock Inspector.

The Honourable
The Colonial Secretary,
Port Stanley.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
494	Ceylon	1905
495	Turks and Caicos Islands	"
496	Bahamas	1905–1906
497	Barbados	"
498	Malta	1905
499	British Central Africa Protectorate	1905–1906
500	Colonial Survey Committee	"
501	Grenada	1905
502	Straits Settlements...	"
503	Gibraltar	"
504	Trinidad and Tobago	1905–1906
505	St. Lucia	1905
506	Mauritius	"
507	Southern Nigeria (Lagos)...	"
508	Somaliland	1905–1906
509	Fiji	1905
510	St. Vincent	1905–1906
511	Sierra Leone	1905
512	Southern Nigeria	"
513	Basutoland	1905–1906
514	British Guiana	"
515	British Honduras	1905
516	Northern Nigeria	1905–1906
517	Bechuanaland Protectorate	"
518	Leeward Islands	"
519	East Africa Protectorate	"
520	Seychelles	1906
521	Hong Kong	"

MISCELLANEOUS.

No.	Colony.	Subject.
31	Northern Nigeria	Cotton, &c.
32	Do. do.	Mineral Survey.
33	Southern Nigeria	Do.
34	Montserrat	Agricultural Industry.
35	Antigua and St. Kitts-Nevis	Sugar.
36	West Indies	Work of Imperial Department of Agriculture.
37	Ceylon...	Mineral Survey, 1904–5.
38	St. Helena	Agriculture (1884).
39	Jamaica	Cayman Islands.
40	Northern Nigeria	Taxation of Natives.

COLONIAL REPORTS—ANNUAL.

No. 562.

FALKLAND ISLANDS.

REPORT FOR 1907.

For Report for 1906, *see* No. 522.)

Presented to both Houses of Parliament by Command of His Majesty.
July, 1908.

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CONTENTS.

		PAGE
I.	FINANCIAL	4
II.	TRADE AND INDUSTRIES	7
III.	LEGISLATION	11
IV.	EDUCATION	11
V.	GOVERNMENT INSTITUTIONS	12
VI.	JUDICIAL	13
VII.	VITAL STATISTICS	13
VIII.	POSTAL SERVICE, &C.	15
IX.	NAVAL AND MILITARY	17
X.	GENERAL	17

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1907 20

No. 562.

FALKLAND ISLANDS.

(For Report for 1906, *see* No. 522.)

THE GOVERNOR to the SECRETARY OF STATE.

Government House,
Stanley,
16th May, 1908.

MY LORD,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1907 which has been prepared by the Honourable H. E. W. Grant, Colonial Secretary.

I have, &c.,

W. L. ALLARDYCE,
Governor.

The Right Honourable,
The Secretary of State for the Colonies,
&c., &c., &c.,
Downing Street.

1125 Wt 24282 7/08 D & S 5 32744 A 2

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1907.

I.—FINANCIAL.

(A.) Revenue and Expenditure.

The revenue for the year ended 31st December, 1907, exclusive of receipts in respect of land sales and under the Live Stock Ordinance, was £17,430, and the expenditure £16,054, exclusive of payments under the Live Stock Ordinance.

The following are the details, as compared with 1906:—

Revenue.

Head of Revenue.	1906.	1907.
	£	£
Customs	4,947	5,124
Port dues, &c....	151	226
Licences, &c.	530	910
Fees, fines, &c.	1,051	1,436
Post Office	1,129	1,145
Rents	4,455	4,175
Miscellaneous	193	193
Interest on investments	3,366	4,221
Totals	15,822	17,430

Expenditure.

Head of Expenditure.	1906.	1907.
	£	£
Pensions	325	356
Governor	1,456	1,527
Colonial Secretary	833	873
Treasury and Customs	665	807
Audit	28	28
Port and Marine	86	93
Legal	17	—
Police	445	437
Prisons	237	230
Medical	635	864
Education	1,036	822
Ecclesiastical	420	348
Transport	348	293
Miscellaneous...	758	841
Post Office	3,249	3,457
Colonial Engineer	831	1,051
Public Works, Recurrent	1,197	1,317
Public Works, Extraordinary	1,418	806
Interest, &c., Savings Bank	1,220	1,306
Drawbacks and Refunds	439	561
Currency Note Fund	49	37
Totals	15,692	16,054

The annual revenue and expenditure for the years 1903 to 1907, inclusive, were as follows:—

Year.	Revenue.	Expenditure.
	£	£
1903	17,393	14,346
1904	15,689	14,249
1905	15,229	14,825
1906	15,822	15,692
1907	17,430	16,054
Average ...	16,313	15,033

The average expenditure, therefore, during the last five years was £1,280 less than the average revenue.

The revenue collected in 1907 was the highest that had yet been raised in the Falklands, exceeding that of 1903, the previous best record, by £37. The revenue of £17,393 in 1903 was made up in part of a refund of £832, the balance of a sum of £2,000 deposited in the Treasury and especially earmarked for harbour works.

The present satisfactory state of the finances of the Colony is to be attributed, in a measure, to the establishment of the whaling industry, and the steps taken to turn to account hitherto non-productive territories. In 1903, the practicability of obtaining a revenue from Colonial waters had not yet been tested, nor was the Colony in receipt of any revenue from its outlying Dependencies. As a result of the inception of the whaling industry in 1904 and its subsequent development, in addition to the moneys received in respect of an agreement for the exploitation of South Georgia as a field for mining operations, the revenue benefited in 1907 to the extent of £921.

The details are given below:—

	£
Rent (South Georgia)	500
Whaling Licences	225
,, Royalties	164
Harbour Dues, &c.	32
Total	921

The receipts in respect of the import duties on wines, malt spirits, and tobacco, amounted to £3,757, and were less by £156 than the revenue collected from the same sources in 1906. The total average receipts under these heads, however, equalled

the average for the last five years, as will be seen from the subjoined table:—

Article.	1903.	1904.	1905.	1906.	1907.	Average.
	£	£	£	£	£	£
Wine	93	86	110	91	161	108
Malt	506	301	319	384	327	367
Spirits... ...	2,472	1,899	1,872	1,920	2,283	2,089
Tobacco ...	1,354	763	1,348	1,512	986	1,193
Totals ...	4,425	3,049	3,649	3,907	3,757	3,757

Stock Fund.

The amount to the credit of the Stock Fund on the 31st December, 1906, was £1,817, as against £1,576 in 1905. The receipts in respect of the land tax levied under the Live Stock Ordinance during 1907 amounted to £807, and expenditure to £1,080, leaving a balance to the credit of the fund on the 31st December, 1907, of £1,544. The sum of £439 was expended in carrying out the provisions of Ordinance No. 3 of 1905, relating to the thinning of upland geese, and the sum of £263 in erecting the new shed and dip in the quarantine sheep paddock.

(B.) Assets and Liabilities.

The assets and liabilities of the Colony on the 31st December, 1907, as compared with its assets and liabilities on the 31st December, 1906, are shown below:—

Head.	1906.	1907.
	£	£
Assets	110,185	125,464
Liabilities ...	58,709	57,516
Excess of Assets	51,476	67,948

(C.) Invested Funds.

The invested funds during the five years 1903-7 were as follows (cost price):—

Fund.	1903.	1904.	1905.	1906.	1907.
	£	£	£	£	£
Land Sales	27,081	27,527	40,270	50,181	53,704
Savings Bank	49,901	49,919	49,919	49,919	49,919
Intestate Estates	640	980	1,596	1,641	1,405
Currency Notes	2,500	3,000	3,000	3,300	3,300
Surplus	—	2,500	2,300	3,500	14,000
Currency Note Depreciation	44	72	105	140	178
Totals	80,166	83,998	97,190	108,681	122,506

The market value of the investments on the 31st December, 1907, was as follows:—

Fund.	Market Value. £
Land Sales	52,349
Savings Bank	48,091
Intestate Estates	1,245
Currency Note	3,236
Surplus	14,000
Currency Note Depreciation ...	171
Total	119,092

(D.) Currency.

The conditions under which a Government paper currency has been established under Order of Her late Majesty in Council of the 7th March, 1899, are stated in the Report of the Blue Book of the Colony for the year 1905.*

The denomination and value of the notes in circulation at the end of the year 1907 were as under:—

Denomination.	Value. £
£5	2,915
£1	3,572
5s.	113
Total value	6,600

II.—TRADE AND INDUSTRIES.

(A) Imports and Exports.

The value of the imports was £73,619, and of the exports, £246,435, as compared with £66,433 and £185,227, respectively, in 1906.

The following are the details of the imports:—

Class.	1906.	1907.
1. Live Animals, Food and Drinks, and Narcotics—	£	£
Aerated waters	287	599
Drugs, &c.	1,323	1,591
Fodder, corn, hay	2,015	1,768
Fruit and vegetables	781	1,356
Groceries, &c.	13,449	16,088
Live stock	2,947	2,520
Malt liquor	2,024	1,933
Spirits	3,540	4,239
Tobacco, cigars, &c.	2,587	1,744
Wine	679	1,094
Totals	29,632	32,932

* Colonial Report—Annual,—No. 490.

Imports—continued.

Class.	1906.	1907.
2. RAW MATERIALS—	£	£
(*a.*) Textile	—	—
(*b.*) Metals and Minerals—		
Coal	748	2,803
Other	764	1,107
(*c.*) Other—		
Timber	3,552	5,276
Totals...	5,064	9,186
3. MANUFACTURED ARTICLES—		
(*a.*) Textile—		
Ships' chandlery	4,108	2,110
Haberdashery	6,368	6,243
Wearing apparel, &c.	6,492	5,431
Totals...	16,968	13,784
(*b.*) Metals and Minerals—		
Hardware, &c.	7,503	9,721
(*c.*) Other—		
Furniture	2,339	2,677
Glass and earthenware...	673	656
Timber and building material...	3,754	1,061
Totals...	6,766	4,394
Totals of manufactured articles... ...	31,237	27,899
4. COIN AND BULLION	500	3,602
5. PARCEL POST	—*	—†
Grand Totals...	66,433	73,619

* Value £5,894, included in the appropriate classes.
† „ £6,221, „ „ „ „

The following tables exhibit the value of the imports and exports of the Colony for the years 1903 to 1907:—

Imports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chile.	Uruguay.	Other Countries.	Total Imports.
	£	£	£	£	£	£	£
1903 ...	58,977	2,037	907	2,115	2,380	44,968	111,384
1904 ...	43,882	—	—	2,827	2,792	—	49,501
1905 ...	52,218	—	416	3,428	2,093	—	58,155
1906 ...	58,867	—	886	4,794	1,896	—	66,433
1907 ...	66,091	—	1,584	3,674	2,270	—	73,619

Exports.

Year	United Kingdom.	British Colonies.	Argentina.	Chile.	Norway.	Total Exports.
	£	£	£	£	£	£
1903.	160,883	—	—	—	—	160,883°
1904.	126,935	—	—	—	—	126,935
1905.	167,039	—	411	—	—	167,450
1906.	181,439	—	—	250	3,538	185,227
1907.	195,571	—	3,334	19,530†	28,000*	246,435

* Includes £44,968, value of 22,484 sealskins, produce of pelagic sealing in South Atlantic.

† Approximate value of whale oil and whalebone.

The following is a statement of the quantity and value of the principal items of produce exported during the last five years:—

Item.	1903.		1904.		1905.	
	lbs.	£	lbs.	£	lbs.	£
Wool ...	4,023,807	103,597	4,259,420	115,359	4,251,052	141,701
Tallow ...	428,076	4,000	44,800	520	496,496	5,542
	No.		No.		No.	
Sheepskins	74,502	7,450	74,958	9,369	99,987	17,498
Hides ...	656	558	263	298	1,268	888
Sealskins ...	44,968	45,278	103	151	151	227

—continued.

Item.	1906.		1097.	
	lbs.	£	lbs.	£
Wool	4,324,215	162,158	4,449,599	166,859
Tallow	481,600	5,375	618,800	6,906
	No.		No.	
Sheepskins	62,371	10,915	109,835	19,133
Hides	723	723	831	831
Sealskins	325	228	3,472	6,944

(B.) Pastoral Industry.

The report of the Chief Inspector of Stock for the year 1907 is annexed.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

(C.) Shipping.

The following are the shipping statistics:—

Nationality of Vessel.	Inwards.						Outwards.					
	Steam.		Sailing.		Tonnage.		Steam.		Sailing.		Tonnage.	
	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.	1906.	1907.
British ..	33	33	10	6	127,383	132,848	33	33	10	5	130,712	132,771
Chilian ..	2	8	2	2	626	2,234	1	9	1	3	313	2,561
Danish ..	—	—	1	—	199	—	—	—	1	—	199	—
French ..	—	—	1	1	1,696	1,944	—	—	—	1	—	1,696
German ..	—	—	2	3	3,033	1,956	—	—	4	2	5,924	1,925
Italian ..	—	—	1	—	1,133	—	—	—	—	1	—	1,133
Norwegian.	4	9	—	4	1,887	6,714	4	11	—	4	1,867	7,646
U.S. America	—	—	1	—	1,533	—	—	—	1	—	1,533	—
Totals ..	39	50	18	16	137,470	145,696	38	53	17	16	140,548	147,732

The following is a comparative statement of the total shipping, inwards and outwards, for the five years 1903 to 1907:—

Year	Inwards.				Outwards.			
	Steam.	Sailing.	Total.	Tonnage.	Steam.	Sailing.	Total.	Tonnage.
1903 ...	32	26	58	117,147	32	21	53	122,494
1904 ...	37	23	60	119,651	37	22	59	117,491
1905 ...	35	14	49	122,803	35	10	45	116,453
1906 ...	39	18	57	137,470	38	17	55	140,548
1907 ...	50	16	66	145,696	53	16	69	147,732

Shipping Casualties.

The British Schooner "Baden Powell" (94 tons) of the port of Lunenburg, Nova Scotia, with a cargo of 132 fur seal skins, was totally wrecked at Elephant Jason, West Falkland, on the 23rd November, 1907.

The French Barque "Duc d'Aumale" (1,944 tons) bound from Brest to San Francisco, with a cargo of pig iron and coke, having sprung a leak, was beached at Roy Cove, West Falklalnd, on the 25th November. She was salved by the s.s. "Lovart" of Punta Arenas, and towed into Port Stanley, on the 16th February last, whence she proceeded to Monte Video for repairs.

III.—LEGISLATION.

Four Ordinances were passed.

Ordinance No. 2 makes provision for preventing the spread of lice in sheep.

IV.—EDUCATION.

The Government Inspector of Schools (the Very Rev. Cyril H. Golding-Bird, M.A., Dean of Christ Church) writes as follows with regard to the progress of education in the Colony during the year under review:—

"The newly erected Government school was occupied for the first time on January 14th. This building will bear comparison with any provided or non-provided school building, of a similar size, in England.

"Very considerable change, of an obviously advantageous character, has been made in the school syllabus. The recommendations made by His Majesty's Inspector of Schools, Mr. Richards, have largely been adopted.

"I am glad to report that increased attention has been paid to physical exercises, and that these exercises, when the weather permits, take place in the playground.

"The average attendance of scholars has not been satisfactory. An epidemic of whooping-cough in the winter accounted for many absences from school.

"The efforts made during the last three years, to improve the condition of the schools has been appreciated by the parents of scholars.

"The itinerant schoolmasters continue to carry on their most difficult work in a satisfactory manner. In every case where parents have co-operated with the schoolmaster, by seeing allotted tasks are performed between each visit of the schoolmaster, the results have been satisfactory.

"In Lafonia, the Falkland Islands Company continue to employ a resident schoolmaster at Darwin and two itinerant schoolmasters in the camp.

"Every child in the Colony, between the age of five and thirteen, not mentally or physically incapacitated, is under instruction."

The number of children being educated in the Colony during the year 1907 was 410, classified as follows:—

—	Boys.	Girls.	Total.
Stanley—			
Government Schools—			
Senior	39	24	63
Infant	27	27	54
Roman Catholic School	50	42	92
Privately taught	2	2	4
West Falkland—			
Government Camp (three teachers) ...	47	34	81
Privately taught	5	11	16
East Falkland—			
Government Camp (two teachers) ...	22	21	43
Darwin School	7	7	14
Falkland Islands Company's Camps (two teachers).	18	19	37
Bleaker and Speedwell Islands ...	4	2	6
Totals ...	221	189	410

V.—GOVERNMENT INSTITUTIONS.

Savings Bank.

During the year ended 30th September, 1907, 55 accounts were opened and 33 closed, leaving a total number of 373 depositors, with balances amounting in the aggregate to £58,632 2*s.* 2*d.*, or an average of a fraction over £157 standing to the credit of each account. The average balance per head of the population of the Colony was £28 7*s.* 10*d.*, showing an increase, as compared with that of the previous year, of £2 17*s.* 10*d.*

The income earned by the bank was £1,650 16*s.* 6*d.*, and the amount paid in respect of interest £1,202 19*s.* 4*d.*, leaving a profit on the year's transactions of £447 17*s.* 2*d.*

VI.—JUDICIAL.

The following table summarises the criminal statistics for the five years 1903 to 1907:—

—	1903.	1904.	1905.	1906.	1907.
Number of offences reported to the police.	94	80	64	57	24
Number of summary convictions—					
1. For offences against the person ...	4	5	2	3	2
2. „ „ „ property ...	4	1	5	1	3
3. For other offences	80	57	40	29	18
Number of Supreme Court convictions—					
1. For offences against the person ...	2	—	—	2	—
2. „ „ „ property ...	2	—	—	—	—
3. For other offences	—	—	—	—	—
Number of Acquittals—					
1. Inferior Court	2	16	17	22	1
2. Supreme Court	—	1	—	—	—

VII.—VITAL STATISTICS.

(A.) Population.

The estimated population of the Colony for 1907, exclusive of the whaling settlement in South Georgia, was 2,266, as against 2,065 in 1906.

There were 53 births and 21 deaths, as against 56 births and 17 deaths in 1906.

Five deaths resulted from whooping-cough, two from diphtheria, and one from accidental drowning.

The birth-rate was 23·38 per 1,000, as against 27·11 in 1906.

The death-rate was 9·26 per 1,000, as against 8·23 in 1906.

Ten marriages took place during the year.

(B.) Public Health.

The general health of the Colony during the year 1907 was good, except in Stanley.

Stanley was visited by an epidemic of dysenteric diarrhœa, followed by one of whooping-cough.

There were no complications in the former outbreak, and attacks subsided in from 7 to 10 days. The cases treated numbered 145.

The epidemic of whooping-cough was one of moderate severity, the attack lasting, on an average, 12 weeks. The children known to be affected numbered 279, but there were, in addition, mild cases, to which no medical aid was summoned. The disease claimed five deaths of children under two years of age.

An outbreak of diphtheria occurred at Third Corral, North Camp, East Falkland, but the spread of the disease was arrested, owing to the prompt action of the Medical Officer of the Falkland Islands Company, Limited, Dr. Foley, and the isolation measures taken by the Board of Health. The outbreak was confined to one family, five members of which were affected. Two cases terminated fatally.

During the year five cases of beri-beri were under treatment. The patients were Canadian sealers, who had been ill two or three weeks prior to their arrival in port. On the hypothesis that the disease is due to the absorption of a toxine derived from food-stuffs, an investigation was made into the quality of the provisions supplied to the vessels on which the disease had appeared. Some rice and salt fish were found to be in a damaged condition.

The following table shows the number of cases under medical treatment during the year (exclusive of those treated at Darwin and in the North Camp, in respect of which districts no returns have been received):—

District	No. of Cases.
Stanley	1,367
West Falkland...	286
Total	1,653

The Government nurse continued to render valuable services, attending 62 cases and paying 1,650 visits.

The Vaccination Ordinance was strictly enforced, and the results were satisfactory, 57 successful vaccinations being recorded, distributed as under:—

District.	No. of Cases.
Stanley	22
Darwin and North Camp...	25
West Falkland	10
Total	57

Four vessels were placed in quarantine.

Important improvements were undertaken in connection with the quarantine station at the naval depôt, consisting in the erection of a mortuary and disinfecting room, a laundry, and lavatories.

(C.) Climate.

The total rainfall registered at Stanley during 1907 was 20·745 inches. Its distribution throughout the year is shown in the following table, which has beeen compiled from the records kept at Government House:—

Month.	Rainfall in Inches.	Maximum. Inches.	No. of days on which rain fell.
January	1·050	·220 on 31st	12
February	1·680	·810 „ 8th	12
March	·730	·290 „ 1st	10
April	1·240	·260 „ 6th	16
May	2·075	·350 „ 11th	21
June	1·765	·300 „ 1st	23
July	1·845	·380 „ 30th	21
August	1·230	·240 „ 20th	16
September	1·375	·330 „ 5th	16
October	1·555	·310 „ 9th	21
November	2·600	·600 „ 26th	16
December	3·600	·620 „ 26th	20
Total	20·745	—	204

VIII.—POSTAL SERVICE, &c.

The revenue of the Post Office was £1,145, as against £1,129 in 1906. The expenditure (including a subsidy of £2,500 for the conveyance of mails beyond the Colony) was £3,457, as against £3,249 in 1906.

The Colony is in the Postal Union.

Telegrams are sent and received by post viâ Monte Video and Punta Arenas.

The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On Other Places.	Total.
	£	£	£
1903	8,943	250	9,193
1904	8,540	228	8,768
1905	8,467	135	8,602
1906	8,056	145	8,201
1907	7,646	270	7,916

The total number of postal packets (letters, &c.) dealt with during the last five years was as under:—

Year.	Number.
1903	87,069
1904	82,028
1905	83,791
1906	83,201
1907	87,854

The following statement shows in detail the number of postal packets dealt with during 1907:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and Post Cards.	17,108	7,293	24,401	19,875	8,124	27,999	52,400
Newspapers, books, &c.	27,947	400	28,347	1,910	663	2,573	30,920
Parcels ...	4,173	—	4,173	361	—	361	4,534
Totals ...	49,228	7,693	56,921	22,146	8,787	30,933	87,854
1906 ...	45,680	8,774	54,424	19,466	9,311	28,777	93,201

The value of the goods imported by parcel post during the five years ended 1907 was as follows:—

Year.	Value. £.
1903	3,376
1904	4,726
1905	3,593
1906	5,894
1907	6,221

The British and foreign mails are conveyed by the Pacific Steam Navigation Company by means of a four-weekly service between Liverpool and Valparaiso.

The local interinsular mail, passenger, and traffic service continues to be performed by vessels owned by the Falkland Islands Company. Their fleet of small sailing craft was strengthened in June by the addition of the schooner "Malvina." The new vessel (80 tons) is of the auxiliary type, being fitted with a four-cylinder oil engine and a two-bladed propeller.

The telephone line between Stanley and Darwin Harbour, referred to in the report for 1906 as being in course of construction, was completed in November, when the first message

was transmitted between the two stations, a distance of about 60 miles. The line, which is the joint property of the Government and the Falkland Islands Company, is open to the public for the transmission of messages, on a telegraphic system, at a minimum charge of one shilling for every 12 words, including the address of the person to whom the message is sent, and one penny for every additional word.

The telephone line between Stanley and Cape Pembroke Lighthouse, and the town exchange, worked satisfactorily throughout the year.

IX.—NAVAL AND MILITARY.

The strength of the Volunteer Force on the 21st December, 1907, was four officers and 83 non-commissioned officers and men, showing a decrease, as compared with the strength at the close of 1906, of 11 men. The amount of the capitation grant earned was £72, representing 36 efficients, as against 41 in 1906.

X.—GENERAL.

(A.) Notable Events.

A message from His Majesty the King to the people of the Fallkland Islands specially marked the year 1907. The Governor was entrusted with the delivery of it on his return to the Colony from leave of absence, and, on the anniversary of His Majesty's Birthday, His Excellency made public the following gratifying announcement:—

"His Majesty the King has been graciously pleased to command me, on returning from England to the Falkland Islands, to express his deep personal interest in the prosperity and progress of all his subjects in this far outpost of his dominions, and to convey to them his greeting and good wishes."

A dutiful and loyal acknowledgment of this message was adopted at a public meeting held in Stanley and transmitted to the Secretary of State to be laid before His Majesty.

A Flower Show and Industrial Exhibition was held in Stanley on the 1st March, 1907. This exhibition has now become an annual event, being the revival by His Excellency the Governor of a movement initiated in 1867, but which lasted for a few years only.

The first of the new series of exhibitions was held in 1906. The third was opened on the 28th February last. The exhibits on that occasion nearly quadrupled in number those of 1906.

Friday, the 24th May, was observed as "Victoria Day," and Sunday, the 26th May, as "Empire Day."

The fixed light at Cape Pembroke lighthouse was replaced on the 8th June by a white flashing light.

The new light shows one flash every 10 seconds as follows, viz.:—

	Seconds.
Flash	·65
Eclipse	9·35
Total period	10·00

The intensity of this light is equal to about 105,000 candles.

Dr. Carl Skottsberg and Mr. T. Halle, the members of a Swedish Scientific Expedition, arrived in the Colony on the 26th October, 1907, and remained until the 12th February, 1908, during which time they travelled over the Islands and investigated the geological, botanical, and zoological conditions of the group.

(B.) Official.

During the absence from the Colony of His Excellency, Governor W. L. Allardyce, C.M.G., on leave, from the 24th April to the 25th September, the Government was administered by Mr. H. E. W. Grant, the Colonial Secretary.

During Mr. Grant's administration, Mr. George Hurst, the Postmaster, &c., acted as Police Magistrate, Coroner, Auditor, and as a Commissioner of Currency.

After a long career of zealous service in the Falklands, extending over a period of thirty years, the Very Reverend Lowther E. Brandon, M.A., Dean and Colonial Chaplain, retired on pension on the 25th August, 1907.

On Dean Brandon's retirement the office of Colonial Chaplain was abolished, and the amount of the annual ecclesiastical vote revised. The Government grant of £400 a year hitherto made in respect of the salary of the Colonial Chaplain (£300) and as an allowance for an assistant clergyman (£100) was reduced to £200. This grant is made on the understanding that it is subject to revision hereafter, and is paid to the Trustees of Christ Church Cathedral for the purpose of augmenting the salary of one or two clergymen as they may decide, in their discretion, to appoint, on the condition that the Incumbent or his assistant will, without additional remuneration from the Government, perform such educational work as the Government

may desire, and as they may be able to undertake without interfering with their clerical duties.

Dean Brandon was succeeded by the Very Reverend Cyril H. Golding-Bird, M.A., as Dean of Christ Church and Government Inspector of Schools.

The Honourable J. J. Felton, having taken up his residence in England, resigned his seats on the Executive and Legislative Councils early in the year. He was succeeded by the Honourable Vere Packe.

It is recorded, with regret, that Mr. Thomas Kerr, C.M.G., who was Governor of the Colony from 1880 to 1891, died in August, 1907.

(C.) Public Works.

A new wing, for the accommodation of the Colonial Secretary and his staff, was added to the Public Offices; the public reservoir, which has a capacity of about 100,000 gallons, was thoroughly repaired; a substantial sea-wall, enclosing a reclamation area at the east end of Stanley was constructed; a new shed and dip were erected in the quarantine sheep paddock; the building formerly used as the senior school was converted into a cottage home for the relief of the indigent poor; a section of the sea-wall was rebuilt; and various outbuildings were erected at the quarantine station on the north side of the harbour.

(D.) Future Prospects.

The future prospects of the Falklands are inseparably connected with the price of wool, on which the general prosperity of the Colony must mainly depend. The prices ruling during the last few years have been remunerative, but they declined towards the end of 1907, and the results of the March sales in 1908, as compared with those of 1907, show a further decrease. It is hoped, however, that this depression will prove to be only temporary, and that the movement observed to be in progress in Australia, New Zealand, South Africa, and Argentina, for converting sheep-rearing areas into agricultural lands, owing to improved prices in wheat, will react beneficially on the staple industry of this Colony.

H. E. W. Grant,
Colonial Secretary.

Stanley,
12th May, 1908.

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1907.

Stanley,
10th March, 1908.

SIR,

I HAVE the honour to submit herewith my annual report for the year ended the 31st December, 1907.

Seasons.—The summer and autumn were exceptionally dry, and, in consequence of the excessive dryness, the hard camp and small islands suffered greatly. The winter was open, and there was but little snow. The spring has been the wettest that has been experienced for some years past.

Sheep.—The total number of sheep in the Colony at the end of May, 1907, was 695,747. This shows a decrease of 6,949, as compared with the previous year. This decrease is mainly due to the exportation of culled ewes to Patagonia. The total number exported was 12,203, all from Port Salvador. An experiment was tried by a Hamburg firm for the exportation of salt mutton to Europe, which has not proved a success.

Wool.—The clip was somewhat light, but sound, and realised a good price.

Lambing.—The result in this respect was about 75 per cent.

Dipping.—This important work has been more carefully attended to than in previous years, and I am pleased to say sheep were never more free from parasites. An Ordinance to make provision for preventing the spread of lice in sheep was passed in January, but was not enforced during 1907, in order that farmers might have ample time to take steps to comply with the requirement of compulsory dipping. To protect careful flock-owners from their negligent neighbours, every effort is made, but several of the farmers do not seem to realise the advantages to be gained by compulsory dipping, and have petitioned against this Ordinance.

The live stock imported during the year were as follows:—

16 Romney Marsh rams from England.
5 Lincoln " " "
268 Horses from Patagonia.

The rams were quarantined for 28 days. With the exception of a few cases of foot-rot they were all perfectly healthy. The quarantine shed has been thoroughly renovated and there is every convenience now for placing imported stud sheep under temporary supervision.

Geese.—The Ordinance for effecting a diminution in the number of geese has been extended until the 31st December,

1912. It was found necessary to increase the number of beaks authorised to be purchased in the East Falklands from 37,500 to 50,000. There is a marked reduction in the number of geese in some parts, while in others very little attention is being paid to the arrest of their increase. The number of beaks authorised to be purchased for the year for the East and West Falklands respectively were:—

East Falklands, 50,000.
West Falklands, 37,500.

The number purchased were:—

East Falklands, 46,840.
West Falklands, 28,185.

Grass Seed Sowing.—There has been very little done in this respect during the year. Those, however, who have sown seed are quite satisfied with the result and are convinced that it will grow in suitable places, consequently they are sending away large orders for 1908.

Ditching and Draining.—Several of the farmers are paying more attention than hitherto to this important matter, and they are being amply repaid by the results.

I have &c.,

J. ROBERTSON,
Chief Inspector of Stock.

The Honourable
The Colonial Secretary.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
530	Northern Territories of the Gold Coast ...	1906
531	Sierra Leone	"
532	Colonial Survey Committee	1906–1907
533	Weihaiwei	1906
534	Gold Coast	"
535	Malta	1906–1907
536	Gambia	1906
537	British Central Africa Protectorate	1906–1907
538	Bechuanaland Protectorate	"
539	Leeward Islands	"
540	Straits Settlements	1906
541	Turks and Caicos Islands	"
542	Somaliland Protectorate	1906–1907
543	Bahamas	"
544	Barbados	"
545	Trinidad and Tobago	"
546	Grenada	"
547	Mauritius	1906
548	Fiji	"
549	Jamaica	1906–1907
550	British Guiana	"
551	Northern Nigeria	"
552	British Honduras	1906
553	St. Lucia	1906–1907
554	Southern Nigeria	1906
555	St. Vincent	1906–1907
556	Basutoland	"
557	East Africa Protectorate	"
558	Uganda Protectorate	"
559	Swaziland	"
560	St. Helena	1907
561	Ceylon	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
44	East Africa Protectorate	Survey Department.
45	Do. do.	Geology.
46	Northern Nigeria	Mineral Survey (1904–5).
47	Do. do.	Do. (1905–6).
48	Nyasaland Protectorate	Do.
49	East Africa Protectorate	Veterinary Department.
50	British Colonies, &c.	Cotton cultivation.
51	Southern Nigeria	Forest Administration.
52	South Africa	Native Education.

COLONIAL REPORTS—ANNUAL.

No. 599.

FALKLAND ISLANDS.

REPORT FOR 1908.

(For Report for 1907, *see* No. 562.)

Presented to both Houses of Parliament by Command of His Majesty.

June, 1909.

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CONTENTS.

	PAGE
I.—Financial	4
II.—Trade and Industries	8
III.—Legislation	12
IV.—Education	12
V.—Savings Bank	13
VI.—Judicial	13
VII.—Vital Statistics	14
VIII.—Postal Service, &c.	15
IX.—General	17
Annual Report of the Chief Inspector of Stock, 1908	22
Map	24

No. 599.

FALKLAND ISLANDS.

(For Report for 1907, *see* No. 562.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
19th April, 1909.

MY LORD,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1908, which has been prepared by Mr. H. E. W. Grant, the Colonial Secretary.

I have, &c.,

W. L. ALLARDYCE,
Governor.

The Right Honourable,
The Earl of Crewe, P.C.,
&c., &c., &c.,

(13433—2.) Wt. 26122—322. 1125. 6/09. D & S. A 2

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1908.

I.—FINANCIAL.

The revenue for the year ended 31st December 1908, exclusive of receipts in respect of land sales and under the Live Stock Ordinance, was £17,775, and the expenditure £15,685, exclusive of the sums spent on public works extraordinary and payments under the Live Stock Ordinance.

The following are the details as compared with 1907:—

Revenue.

Head of Revenue.	1907.	1908.
	£	£
Customs	5,124	5,268
Port dues, &c.	226	218
Licences, &c.	910	1,394
Fees, fines, &c.	1,436	579
Post Office	1,145	1,303
Rents	4,175	4,443
Miscellaneous	193	186
Interest on investments...	4,221	4,384
Total, ordinary revenue... ...	17,430	17,775
Land sales	3,528	5,292
Stock Ordinance	807	807
Total	21,765	23,874

Expenditure.

Head of Expenditure.	1907.	1908.
	£	£
Pensions	356	555
Governor	1,527	1,543
Colonial Secretary	873	892
Treasury and Customs	807	833
Audit	28	19
Port and Marine...	93	102
Police	437	433
Prisons	230	186
Medical	864	985
Education...	822	838
Ecclesiastical	348	220
Transport	293	792
Miscellaneous	841	787
Post Office	3,457	3,301
Colonial Engineer	1,051	1,116
Public Works, Recurrent	1,317	1,327
Interest, &c., Savings Bank	1,306	1,475
Drawbacks and Refunds	561	246
Currency Note Fund	37	35
Total, Ordinary Expenditure ...	15,248	15,685
Public Works, Extraordinary	806	4,082
Stock Ordinance	1,080	602
Total	17,134	20,369

The annual revenue and expenditure for the five years 1904-1908, under distinguishing heads, are shown below:—

Revenue.

Year.	Ordinary Revenue.	Land Sales.	Stock Ordinance.	Total.
	£	£	£	£
1904	15,689	239	204	16,132
1905	15,229	12,783	807	28,819
1906	15,822	9,958	807	26,587
1907	17,430	3,528	807	21,765
1908	17,775	5,292	807	23,874
Totals	81,945	31,800	3,432	117,177
Averages	16,389	6,360	686	23,435

Expenditure.

Year.	Ordinary Expenditure.	Public Works Extra-ordinary.	Stock Ordinance.	Total.
	£	£	£	£
1904	13,978	356	341	14,675
1905	13,851	974	450	15,275
1906	14,274	1,417	566	16,257
1907	15,248	808	1,080	17,134
1908	15,685	4,082	602	20,369
Totals	73,036	7,635	3,039	83,710
Averages	14,607	1,527	608	16,742

In the year 1904, the sum of £1,000 obtained from the sale of the lease of Bluff Cove was brought to account under the head of rent instead of being credited to land sales. Deducting this sum from the total receipts in respect of ordinary revenue for the years 1904-1908, the average ordinary revenue during the last five years exceeded the average ordinary expenditure by £1,582. The saving effected for the whole period, viz., £7,909, was more than sufficient to defray the cost of public works extraordinary, which amounted to £7,635.

It is satisfactory to note that the ordinary revenue raised in 1908 exceeded that collected in 1907, the previous best record, by £345.

In the report on the Blue Book for 1907, attention was drawn to the fact that the recently established whaling industry yielded during the year a revenue of £921. A noteworthy advance was made in the development of the industry in 1908, resulting in

payments into the Treasury of £2,487. The following are the details:—

	£
Rent (South Georgia)	1,675
Whaling Licences	550
,, Royalties	183
Harbour Dues, &c.	79
Total	2,487

The receipts in respect of the import duties on wine, malt, spirits, and tobacco, amounted to £4,214, or £457 more than the revenue collected from the same sources in 1907. The average for the last five years was also exceeded by £499. Particulars are given in the subjoined table:—

Article.	1904.	1905.	1906.	1907.	1908.	Average.
	£	£	£	£	£	£
Wine	86	110	91	161	90	107
Malt	301	319	384	327	489	364
Spirits	1,899	1,872	1,920	2,283	1,847	1,964
Tobacco	763	1,348	1,512	986	1,788	1,280
Totals	3,049	3,649	3,907	3,757	4,214	3,715

Stock Fund.

The amount to the credit of the Stock Fund on the 31st December, 1908, was £1,748, as against £1,543 in 1907. The receipts in respect of the land tax levied under the Live Stock Ordinance during 1908 amounted to £807, and expenditure to £602. The sum of £253 was expended in carrying out the provisions of Ordinance No. 3 of 1905, relating to the thinning of upland geese.

The assets and liabilities of the Colony on the 31st December, 1908, as compared with the assets and liabilities on the 31st December, 1907, are shown below:—

Head.	1907.	1908.
	£	£
Assets...	125,464	134,272
Liabilities	67,948	72,476
Excess of Assets ...	57,516	61,796

The invested funds at the close of each of the five years 1904-1908 were as under (cost price):—

Fund.	1904.	1905.	1906.	1907.	1908.
	£	£	£	£	£
Land Sales	27,527	40,270	50,181	53,704	58,997
Savings Bank	49,919	49,919	49,919	49,919	55,919
Intestate Estates	980	1,596	1,641	1,405	1,444
Currency Note	3,000	3,000	3,300	3,300	3,300
Surplus	2,500	2,300	3,500	14,000	7,300
Currency Note Depreciation ...	72	105	140	178	217
Totals	83,998	97,190	108,681	122,506	127,177

The market value of the investments on the 31st December, 1908, was as follows:—

Fund.	Market value.
	£
Land Sales	58,182
Savings Bank	52,626
Intestate Estates	1,299
Currency Note	3,093
Surplus	7,300
Currency Note Depreciation	217
Total	£122,717

A statement of the conditions under which a Government paper currency has been established under Order of Her late Majesty in Council of the 7th March, 1899, will be found in the Report on the Blue Book of the Colony for the year 1905.

The denomination and value of the notes in circulation at the end of the year 1908 were as under:—

Denomination.	Value.
£5	£2,915
£1	3,572
5s.	113
Total value	6,600

II.—TRADE AND INDUSTRIES.

The value of the imports was £73,062, and of the exports £189,972, as against £73,619 and £246,435 in 1907.

The following are the details of the imports:—

Class.	1907.	1908.
1. LIVE ANIMALS, FOOD AND DRINKS, AND NARCOTICS—	£	£
Aerated waters	599	429
Drugs, &c.	1,591	1,542
Fodder, corn, hay	1,768	1,094
Fruit and vegetables	1,356	581
Groceries, &c.	16,088	18,272
Live stock	2,520	1,981
Malt liquor	1,933	2,319
Spirits	4,239	1,664
Tobacco, cigars, &c.	1,744	1,295
Wine	1,094	492
Totals	32,932	29,669
2. RAW MATERIALS—		
(*a*) Textile	—	—
(*b*) Metals and Minerals—		
Coal	2,803	1,590
Other	1,107	1,509
(*c*) Other—		
Timber	5,276	3,931
Totals	9,186	7,030
3. MANUFACTURED ARTICLES—		
(*a*) Textile—		
Ships' chandlery	2,110	7,467
Haberdashery	6,243	8,514
Wearing apparel, &c.	5,431	6,703
Totals	13,784	22,684
(*b*) Metals and Minerals—		
Hardware, &c.	9,721	6,344
(*c*) Other—		
Furniture	2,677	3,640
Glass and earthenware	656	435
Timber and building material	1,061	1,260
Totals	4,394	5,335
Totals of manufactured articles	27,899	34,363
4. COIN AND BULLION	3,602	2,000
5. PARCELS POST	—*	—†
Grand Totals	73,619	73,062

* Value £6,221, included in the appropriate classes.
† „ £6,086 „ „ „ „

The following tables exhibit the value of the imports and exports of the Colony for the years 1904 to 1908:—

Imports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chili.	Uruguay.	Other Countries.	Total Imports.
	£	£	£	£	£	£	£
1904 ...	43,882	—	—	2,827	2,792	—	49,501
1905 ...	52,218	—	416	3,428	2,093	—	58,155
1906 ...	58,867	—	886	4,794	1,886	—	66,433
1907 ...	66,091	—	1,584	3,674	2,270	—	73,619
1908 ...	65,744	150	642	4,503	1,770	253	73,062

Exports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chili.	Norway.	Total Exports.
	£	£	£	£	£	£
1904 ...	126,935	—	—	—	—	126,935
1905 ...	167,039	—	411	—	—	167,450
1906 ...	181,439	—	—	250	3,538	185,227
1907 ...	195,571	—	3,334	19,530*	28,000*	246,435
1908 ...	137,767	—	—	6,005	46,200†	189,972

* Approximate value of whale oil and whalebone.
† " " " whale oil.

NOTE.—Value of the catch at South Georgia in whale oil and whalebone not included in any of the foregoing total values of exports.

The following is a statement of the quantity and value of the principal articles of produce exported during the last five years:—

Article.	1904.		1905.		1906.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	lbs.	£	lbs.	£	lbs.	£
Wool	4,259,420	115,359	4,251,052	141,701	4,324,215	162,158
Tallow ...	44,800	520	496,496	5,542	481,600	5,375
	No.		No.		No.	
Sheepskins ...	74,958	9,369	99,987	17,498	62,371	10,915
Hides	263	298	1,268	888	723	723
Sealskins ...	103	151	151	227	325	228
					Tons.	
Whale Oil ...	—	—	—	—	218	3,238
Whalebone ...	—	—	—	—	5	300

—*continued.*

Article.	1907.		1908.	
	Quantity.	Value.	Quantity.	Value.
	lbs.	£	lbs.	£
Wool	4,449,599	166,859	4,401,089	110,186
Tallow	618,800	6,906	510,360	6,298
	No.	—	No	—
Sheepskins	109,835	19,133	75,685	12,095
Hides	831	831	569	503
Sealskins	3,472	6,944	881	1,733
	Tons.		Tons.	
Whale Oil	2,400	18,720	2,929	56,700
Whalebone	—	—	5	200

Pastoral Industry.

The report by the Chief Inspector of Stock for the year 1908 is annexed.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

Shipping.

The following are the shipping statistics:—

Nationality of Vessel.	Inwards.					
	Steam.		Sailing.		Tonnage.	
	1907.	1908.	1907.	1908.	1907.	1908.
British	33	38	6	8	132,848	147,747
Chilian	8	4	2	2	2,234	772
Danish	—	—	—	2	—	657
French	—	—	1	—	1,944	—
German	—	—	3	3	1,956	3,003
Italian	—	—	—	—	—	—
Norwegian ...	9	4	4	2	6,714	3,432
Total ...	50	46	16	17	145,696	155,611

Nationality of Vessel.	Outwards.					
	Steam.		Sailing.		Tonnage.	
	1907.	1908.	1907.	1908.	1907.	1908.
British	33	36	5	4	132,771	140,323
Chilian	9	4	3	—	2,561	733
Danish	—	—	—	2	—	657
French	—	—	1	1	1,696	1,944
German	—	—	2	2	1,925	2,943
Italian	—	—	1	—	1,133	—
Norwegian ...	11	4	4	2	7,646	3,432
Total ...	53	44	16	11	147,732	150,032

The following is a comparative statement of the total shipping, inwards and outwards, for the five years 1904 to 1908:—

Year.	Inwards.			
	Steam.	Sailing.	Total.	Tonnage.
1904	37	23	60	119,651
1905	35	14	49	122,803
1906	39	18	57	137,470
1907	50	16	66	145,696
1908	46	17	63	155,611

Year.	Outwards.			
	Steam.	Sailing.	Total.	Tonnage.
1904	37	22	59	117,491
1905	35	10	45	116,453
1906	38	17	55	140,548
1907	53	16	69	147,732
1908	44	11	55	150,032

Shipping Casualties.

The French barque "Hélène Blum" (2,154 tons) bound from Bristol to Stanley, for orders, ran on the Seal Rocks at the entrance of Port William, on the night of the 26th May, and became a total wreck. No lives were lost.

The cutter "Progreso" of Stanley (23 tons), belonging to Mr. L. Williams, was lost under tragic circumstances. She left Stanley on the 1st July, bound for Carcass Island, but losing all her sails in a gale off Volunteer Rocks, she became the sport of wind and wave for nearly two months, during which time no land was seen. Two of the crew died from exposure and privation. A sight of the Patagonian coast was at length gained. Owing to light winds and a scarcity of water, the master and one remaining member of the crew abandoned the cutter and took to the boat. When about three miles from Chubut they were rescued by the Argentine authorities, from whom they received every care and attention. The master was subsequently drowned accidentally when engaged in an expedition by boat to a neighbouring place on the coast.

The following vessels sought refuge in Port Stanley during 1908 for repairs, viz., "Simla," "Henriette," "Lodore," "Gladova," "Metropolis," and "Gulf Stream."

III.—LEGISLATION.

Nine Ordinances were passed.

Ordinance No. 2 provides for the granting of licences to use guns.

Ordinance No. 4 provides for the preservation of certain wild birds (duck, grebe, mallard, snipe, swan, teal, and widgeon) by establishing a close time.

Ordinance No. 5 regulates the extent to which the law of England is in force in the Colony.

Ordinance No. 7 amends the law relating to Quarantine adopting the principles of the West Indian Intercolonial Sanitary Convention of 1904.

Ordinance No. 9 regulates the legal position of the Dependencies.

IV.—EDUCATION.

The Government Inspector of Schools (the Rev. Canon E. J. Seymour) reports as follows on the progress of education in the Colony during the year 1908:—

"The past year in the Government school at Stanley has been a period of marked progress. Improved apparatus and the addition of varied text books, &c., are proving already their value. The lessons are made interesting to the scholars, and everything is being done to bring the school up to a high educational level.

"The infants are being carefully and systematically taught, and appear to be interested and happy in their lessons.

"The various standards seem quite up to the average.

"In the camps the itinerant schoolmasters carry on their work in a satisfactory manner. Where the parents co-operate with the teachers, good results are attained. This work is full of difficulty and deserves every encouragement."

The number of children being educated in the Colony during the year 1908 was 424, classified as follows:—

	Boys.	Girls.	Total.
Stanley—			
Government Schools—			
Senior	40	24	64
Infant	33	31	64
Roman Catholic School	34	67	101
Privately taught	—	2	2
West Falkland—			
Government Camp (three teachers) ...	44	37	81
Privately taught	—	—	—
East Falkland—			
Government Camp (two teachers) ...	23	28	51
Darwin School	9	10	19
Falkland Islands Company's Camps (two teachers).	20	16	36
Bleaker and Speedwell Islands	4	2	6
Totals	207	217	424

The average attendance was as under:—

	Boys.	Girls.
Government Schools (Stanley)—		
Senior	33·5	18·6
Infant	24·5	22·5
Roman Catholic School	25	45

V.—SAVINGS BANK.

During the year ended 30th September, 1908, 62 accounts were opened and 49 closed, leaving a total number of 386 depositors, with balances amounting in the aggregate to £62,106 1*s.* 8*d.*, or an average of £160 17*s.* 11*d.*, standing to the credit of each account. The average balance per head of the population of the Colony (computed at 2,065) was £30 1*s.* 6*d.*, showing an increase, as compared with that of the previous year, of £1 13*s.* 8*d.*

The income earned by the bank was £1,753 18*s.* 4*d.*, and the expenses (interest on deposits, &c.) amounted to £1,350 17*s.* 11*d.*, leaving a profit on the year's transactions of £403 0*s.* 5*d.*

VI.—JUDICIAL.

The following table summarises the criminal statistics for the years 1904 to 1908:—

—	1904.	1905.	1906.	1907.	1908.
Number of offences reported to the police	80	64	58	24	44
Number of summary convictions—					
1. For offences against the person ...	5	2	3	2	4
2. „ „ „ property ...	1	5	1	3	2
3. For other offences	57	40	29	18	29
Number of Supreme Court convictions—					
1. For offences against the person—	—	—	2	—	—
2. „ „ „ property ...	—	—	—	—	—
3. For other offences	—	—	—	—	—
Number of Acquittals—					
1. Inferior Court	16	17	22	1	9
2. Supreme Court...	1	—	1	—	—

VII.—VITAL STATISTICS.

The estimated population of the Colony for 1908, exclusive of the Whaling Settlement in South Georgia, was 2,289, as against 2,266 in 1907.

There were 58 births and 12 deaths, as against 53 births and 21 deaths in 1907.

The 12 deaths from all causes included 3 among children under one year of age and 5 among persons aged upwards of 60 years.

The birth-rate was 25·33 per 1,000, as against 23·38 in 1907.

The death-rate was 5·24 per 1,000, as against 9·26 in 1907.

Nineteen marriages took place during the year, as against ten in 1907.

The Colonial Surgeon (Hon. E. T. Born) writes as follows:—

"The health of the Colony has been good throughout the year.

"This may in part be attributed to the mildness of last winter, which was in favourable contrast to the winter of the year preceding.

"As in former years, the most prevalent diseases were those of the respiratory organs, especially bronchitis and asthma.

"With the exception of 2 cases of scarlet fever, 1 case of erysiplas, and a few cases of influenza and chicken-pox, the Colony enjoyed immunity from other cases of infectious disease.

"The history of the scarlet fever cases pointed strongly to the infection having been imported into the Colony from Punta Arenas (Chili), where at the time the disease was prevalent."

The following is a statement of the number of cases under medical treatment during 1908:—

District	No. of Cases.
Stanley	706
Lafonia and North Camp	295
West Falkland	172
Total	1,173

The District Nurse continued her excellent work, paying 1,939 visits and attending 65 cases. There were 50 vaccinations as against 57 in 1907. The successful cases were distributed as under:—

District	No. of Cases.
Stanley	32
Lafonia and North Camp	18
Total	50

The Colonial Surgeon reports that the monthly supply of vaccine received from Buenos Aires is of good quality and gives excellent results.

No necessity arose during the year for making use of the Quarantine Station.

Much activity was exhibited by the Board of Health in Stanley in causing premises to be systematically inspected, and in enforcing sanitary measures. By-laws were also passed requiring all new buildings to be erected on hygienic principles.

The total rainfall registered at Stanley during 1908 was 25·255 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records kept at Government House:—

Month.	Rainfall in Inches.	Maximum Inches.	No. of days on which rain fell.
January	2·425	·440 on 24th	17
February	2·195	·430 „ 1st	14
March	2·490	·570 „ 4th	19
April	2·005	·420 „ 14th	21
May	1·815	·480 „ 2nd	22
June	1·315	·270 „ 18th	19
July	2·555	·290 „ 23rd	26
August...	1·060	·280 „ 28th	17
September	1·735	·370 „ 13th	17
October	2·830	·480 „ 8th	27
November	3·075	·500 „ 15th	23
December	1·755	·350 „ 14th	22
Total	25·255	—	244

VIII.—POSTAL SERVICE, &c.

The revenue of the Post Office was £1,303, as against £1,444 in 1907. The expenditure (including a subsidy of £2,500 for the conveyance of mails beyond the Colony) was £3,301, as against £3,457 in 1907. The expenditure on the local conveyance of mails was £300.

The Colony is in the Postal Union.

Telegrams are sent and received by post viâ Monte Video and Punta Arenas.

The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On Other Places.	Total.
	£	£	£
1904	8,540	228	8,768
1905	8,467	135	8,602
1906	8,056	145	8,201
1907	7,646	270	7,916
1908	8,308	264	8,572

The total number of postal packets (letters, &c.) dealt with during the last five years was as under:—

Year.	Number.
1904	82,028
1905	83,791
1906	83,201
1907	87,854
1908	109,660

The following statement shows in detail the number of postal packets dealt with during 1908:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and Post Cards.	22,416	5,944	28,360	22,105	9,470	31,575	59,935
Newspapers, Books, &c.	39,645	802	40,447	2,945	1,692	4,637	45,084
Parcels ...	4,240	—	4,240	391	10	401	4,641
Totals ...	66,301	6,746	73,047	25,441	11,172	36,613	109,660
1907 ...	49,228	7,693	56,921	22,146	8,787	30,933	87,854

The value of goods imported by parcel post during the five years ended 1908 was as follows:—

Year.	Value. £.
1904	4,726
1905	3,593
1906	5,894
1907	6,221
1908	6,086

The British and foreign mails are conveyed by the steamers of the Pacific Steam Navigation Company by means of a four-weekly service between Liverpool and Valparaiso.

The local interinsular mail, passenger, and traffic service continues to be performed by vessels owned by the Falkland Islands Company.

Increased provision having been made in the Estimates for 1909 for an improved interinsular service, tenders have been invited for a four-weekly mail and passenger service between Stanley and Fox Bay, and for a quarterly service between Stanley, Port Stephens, Port Howard, Hill Cove and West Point Island, by good and efficient steamships or sailing vessels, capable of carrying with comfort not less than ten cabin passengers.

The telephone line between Stanley and the Settlement of Darwin Harbour, which was completed towards the end of 1907, has

proved to be a great public and private convenience. Breakages in the line, however, have been frequent, 64 having occurred during the year ended 25th November, 1908. These were caused by the upland goose, the wire being unable to withstand the force of the impact when struck by that bird in the course of its flight. The breaks were not general along the line but confined to a few localities. It is observed that in almost every instance the breaking point is at the insulator, and those parts of the line, therefore, where breaks have occurred most frequently, are being gradually strengthened by placing No. 8 thick wire at the insulators and extending it about one yard on each side. Interruptions in the working of the line from the cause mentioned not being unexpected, the Falkland Islands Company (joint owners with the Government and managers of the line) have made arrangements for promptly effecting repairs.

The telephone line between Stanley and Cape Pembroke Lighthouse was repaired during the year, several poles having been renewed.

IX.—GENERAL.

Dr. Carl Skottsberg, the leader of the Swedish Scientific Expedition which arrived in the Colony in October, 1907, gave a lecture in Stanley on the 9th of January, in which he briefly surveyed the geological history of the Falkland Islands. He expressed the opinion that it is probable that in the beginning of the quaternary period the group formed part of the mainland of South America, but soon became detached.

H.M.S. "Sappho" paid a short visit to the Colony in February.

For the third year in succession, a Flower Show and Industrial Exhibition was held in Stanley. It was opened on the 28th of February and lasted for two days. Like its predecessors, it was a great success. The spirit of emulation was abroad, and a high standard of excellence reached.

The Victoria Cottage Home was opened on the 11th May. The institution has been established with the object of perpetuating the memory of the reign of Her late Majesty, and in a manner which it is felt would have met with Her Majesty's approval—the placing of poor relief on a satisfactory basis. The Home has been located in a building which has served many purposes in the history of the Colony. As a single large room it afforded temporary shelter, of an unpretending character, to many of the early immigrants. There was no kitchen accommodation. Cooking had to be done on the beach outside in a recess in the peat bank. When the building was no longer required for the purpose for which it was originally designed, it became in turn a theatre, a coal shed, and a Government school. With the addition of a small wing it is now fitted up as a Model Cottage Home, capable of accommodating the nurse-matron, the district nurse, and six inmates.

May the 25th was observed as Empire Day. At the conclusion of a striking ceremony in the Government school, in honour of the occasion, the senior boy, in a loyal speech, handed to His Excellency the Governor a purse of money which had been collected among the scholars, with the request that it might be devoted to the purchase of a portrait of His Majesty the King, to be placed in the school.

Mr. J. E. Rowen, who for a period of ten years had been Consul for the United States of America in Stanley, proceeded to Punta Arenas at the end of July to take up a similar post in that city.

Owing to the initiative of Mrs. Allardyce, the Lending Library, which for many years past had been housed in the Cathedral Vestry, was transferred to the building formerly occupied by the infant school, and placed under the management of a committee. The affairs of the library have been thoroughly reorganized and its sphere of usefulness considerably extended.

On the 21st July, Letters Patent were passed under the Great Seal of the United Kingdom, appointing the Governor of the Colony of the Falkland Islands to be Governor of South Georgia, the South Orkneys, the South Shetlands, the Sandwich Islands, and Graham's Land, and providing for the government thereof as Dependencies of the Colony.

In response to the invitation of Sir Alfred Jones (President) and the Committee, the Colony was represented at the Colonial Products Exhibition held at Liverpool in November.

Official changes during 1908 were frequent. The following were the most important:—

The Hon. W. A Thompson, Treasurer, &c., went on leave on the 30th March, and was absent for the remainder of the year. Mr. G. Hurst, the Postmaster, acted as Treasurer, &c., during Mr. Thompson's absence, Mr. Craigie-Halkett, the Treasury Clerk, acting as Postmaster, &c.

Lieut.-Colonel Reid, D.S.O., V.D., commanded the Falkland Islands Volunteers during the absence from the Colony of Major J. C. Campbell on leave. Major Campbell left at the end of March and did not return before the expiration of the year.

Mr. and Mrs. F. Durose, the Government schoolmaster and schoolmistress, after twenty-five years' service, retired on pension on the 11th April. Pending the arrival of their successors, Mr. J. Innes Wilson, who had completed his five years' agreement as a teacher in the camp, acted as Government schoolmaster, and Miss Ada Kirwan, who was in charge of the infant school, acted as Government schoolmistress. Mr. and Mrs. A. M. Souter were appointed to the respective offices in July.

Miss Clara Davies was appointed to be nurse-matron of the Victoria Cottage Home in May.

Dr. P. R. Bolus, the Assistant Colonial Surgeon, &c., at Fox Bay, West Falkland, resigned in June. He was succeeded by Dr. H. C. E. Quin.

The Hon. Vere Packe was absent from the Executive and Legislative Councils on leave from June to December. During his absence Mr. Louis Williams acted as a member of the Legislative Council.

Public Works.

There was considerable activity in the Department of Public Works during the year.

The masonry work of the public stone jetty was repaired, and the structure broadened and lengthened, preparatory to the addition of a wooden extension. The piles of the first section of the new portion have already been driven.

A jetty in connection with the Stanley sanitation scheme was erected to the east of the township, and suitable accommodation provided at the shore end for horses, sanitary carts, &c. The Government steam launch "Penguin," and two sanitary punts, to be employed in carrying out the scheme, arrived towards the end of the year.

The Stanley Cemetery was extensively improved, and a continuation of Ross Road for about half a mile from the cemetery to the eastward was metalled.

A commodious office for the Government printer was erected close to the secretariat in lieu of the old building in the dockyard, which was quite unsuitable.

The Past, the Present, and the Future.

The year 1908 being the second in succession in which the ordinary revenue of the Falklands has exceeded that of previous years, it may prove to be both interesting and instructive if the occasion be marked by passing in brief review the financial and industrial history of the Colony.

From 1832, the year in which British sovereignty over the islands was definitively settled, until 1843, they were in charge of the Admiralty. The Government of the group as a Crown Colony dates from the latter year.

Needless to say, in the early days of settlement and for many a long year, the Colony was not self-supporting. In 1843, the first year of the civil administration, the revenue amounted to £1,816 only. It sank in 1849 to £316, and from that year to 1859 it only once exceeded £1,000. Not until the seventies was there any perceptible upward tendency. During all these years, and until 1879, the local Treasury was in receipt of a substantial Parliamentary Grant. These grants varied considerably in amount, but were never less than £2,000 per annum. They frequently exceeded £6,000. No grant appears to have been necessary in 1880. From 1881 to 1884, the grant took the form of one in aid of a mail service, and for that purpose a total sum of £3,000 was received. Since 1885, when the revenue was £10,438, the Colony has been entirely self-supporting.

The steady growth of the prosperity of these Islands dates from the time when it dawned on the settlers, and experiment proved,

that the wide expanse of marsh and moorland over which they had been roaming in search of wild cattle, afforded better prospects of success as sheep-rearing areas than in the pursuit of their precarious calling.

The number of sheep in the Falklands in 1847 was estimated to be 200. Colonel Moody, the first Governor of the Colony, imported that number from South America, at his own expense, immediately after his arrival. Several hundred were also imported by Mr. Whittington. In 1860 the number had been increased to about 10,000, but it was not until some years later that sheep-farming engaged serious attention. The year 1867 has been given as the date when the first strenuous efforts were made to establish the industry on a permanent footing. The hardy settlers of the West Falklands were the pioneers. It was an uphill task, but patience and perseverance won the day. The sheep for stocking runs were imported from the River Plate. The climate of their new home proved at first to be so uncongenial that in some cases 30 to 50 per cent. perished. The difficulties in the way of transporting the wool to Stanley, to be placed on the market, were many, and the expense was great. The farmers, nevertheless, maintained their courage, and the industry grew each year in importance. Whereas the number of sheep in the Colony in 1867 was 35,000, ten years later it was 283,000. In the following decade the number rose to 563,000, and reached in 1896 the record total of 801,000. The average for the ten years ending 1908 was 720,000. Greater attention than formerly is now being paid to the selection and culling of ewes, and the periodical improvement of flocks by the importation of pure blood. The manner in which sheep have become adapted to the forbidding climate of the Falklands is illustrated by the fact that the lambing season of 1908 resulted in an average of 77 per cent.

The wild cattle that attracted early settlers are memories of the past. They have entirely disappeared, with the exception of a few, perhaps, that find a safe retreat among the fastnesses of Wickham Heights. That interesting figure—the Gaucho—with his mastery over horse and lasso, is no longer to be seen. His place has been usurped by the Scotch shepherd, for the East and West Falkland, and every adjacent island capable of raising sheep in paying numbers, have been brought under the yoke of the pastoralist.

A notable feature in the development of the resources of the Colony, other than pastoral, during the last few years, has been the rapidity with which the whale fishery industry has advanced. Operations have been conducted principally in the waters of South Georgia, the South Shetlands, and the South Orkneys. Among those Dependencies, South Georgia alone has proved to be suitable for the erection of whaling factories, by affording the necessary safe and convenient harbour accommodation. The Argentine Fishery Company have been established in King Edward's Cove, Cumberland Bay, for several years past, and leases of sites for whaling stations in other parts of the Island have been obtained by four Norwegian companies and one British firm (Messrs. C. Salvesen & Co., of Leith).

The vessels employed in capturing whales in the South Shetlands and the South Orkneys are accompanied by floating factories.

Towards the end of 1908, Messrs. Salvesen & Co. began the erection of a whaling factory on New Island, West Falkland, having, with the permission of the Government, obtained a site from the lessee. The work was prosecuted with vigour and the factory is already in operation. It is equipped with the most modern machinery for utilizing the whole carcass of the whale. As this is the first whaling factory that has been erected in the Falkland Islands, and is in advance of the factories hitherto employed in connection with the whale fishery in Colonial waters, the result of the undertaking will be watched with interest.

The hopes that were entertained two years ago that it would be possible to turn to account the Crown reserves of peat by the establishment of a patent-fuel industry, have not been realised, the concession offered having lapsed. The question of manufacturing peat briquettes in the Colony as a successful commercial venture is still, however, attracting attention.

As will be gathered from the foregoing remarks, the copestone of the prosperity of the Falklands is the pastoral industry, which, owing to the enterprise and energy of those engaged in it, the eradication of scab, the passing of legislation protecting the Colony from the introduction of those diseases to which flocks are liable, and compulsory dipping, is probably in a more flourishing state at present than it has been at any previous period. The market price of wool, which declined towards the end of 1908, has improved, and good returns are expected for last year's clip, which, as reported by the Chief Inspector of Stock, was heavier, cleaner, and in better condition than usual.

With a buoyant revenue—a substantial and growing reserve fund arising from land sales, and the staple industry on a sound and satisfactory footing—it would seem to be a legitimate expectation that, for many a year to come, the Colony will steadily advance along the paths of progress.

H. E. W. GRANT,

Colonial Secretary.

Stanley, Falkland Islands,

14th April, 1909.

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1908.

Stanley,
8th February, 1909.

Sir,

I have the honour to submit herewith my Annual Report for the year ended the 31st December, 1908.

Seasons.—The summer and autumn were very showery. The winter was, within the memory of the oldest inhabitant, the best that has been experienced. It was mild and there was very little snow. The latter part of the spring was cold and showery.

Sheep.—The total number of sheep in the Colony returned at the end of May, 1908, was 688,705, which consisted of 11,534 rams, 275,188 wethers, and 401,983 ewes. This shows a decrease of 7,042 as compared with the previous year. With the exception of 300 rams exported to Patagonia this decrease is mainly due to boiling down.

Judging from the returns, the Islands appear to be fully stocked. Several of the farmers have found out the advantage of quality over quantity. Many flocks, however, could be improved by introducing into them flock rams from the stock of the Falkland Islands Company. They can be obtained at a very moderate figure, provided that orders are booked early. During the year under review, the ewes of this flock averaged 9 lbs. of clean wool and reared 90 per cent. of lambs.

Wool.—The clip was far heavier, cleaner, and in better condition than usual. Unfortunately the wool market fell and the prices realised were much below those obtained previously.

Lambing.—About 77 per cent., a good average season.

Dipping.—Owing to the Ordinance passed in 1907 for preventing the spread of lice in sheep, the important work of dipping has generally been carried out most satisfactorily, and sheep are very free from parasites. A disease bearing a strong resemblance to (if not actually) blood-poisoning or malignant œdema made its appearance among the sheep in one locality after dipping time, and a copy of a leaflet relating to that disease, issued by the New Zealand Department of Agriculture, was distributed to all the farmers. Two bottles of blood taken from sheep suffering from the disease were forwarded to the Board of Agriculture and Fisheries, London, who caused a bacteriological examination of it to be made by their Veterinary Officers. The examination failed to reveal any evidence of anthrax. The Board were advised that, although such an examination in the circumstances—the blood being very old and putrid—was insufficient to justify the opinion that anthrax was not the cause of death of the animals from which the blood was taken, the history of the case went to show that it was unlikely that the animals were suffering from that disease. It appeared probable, moreover, that if the dip which was used for the sheep was an arsenical preparation, the mortality was due to arsenical poisoning, and it was suggested for consideration that, in order to obviate any risk of that nature for the future, a tobacco dip might with advantage be employed.

The live stock imported during the year were as follows :—

24 Romney Marsh rams, from New Zealand.
9 " " " " England.
109 horses from Patagonia.

The rams were quarantined for 28 days. With the exception of a few cases of foot-rot, they were perfectly healthy.

Geese.—The diminution in this respect is very noticeable in most parts of the Colony, but there are still a few districts in which the advantage to be gained in

reducing the number of geese is not realised. The number of beaks authorised to be purchased for the year for the East and West Falklands, respectively, were :—

East Falklands, 37,500.
West Falklands, 37,500.

The number of beaks purchased were :—

East Falklands, 37,525.
West Falklands, 14,455.

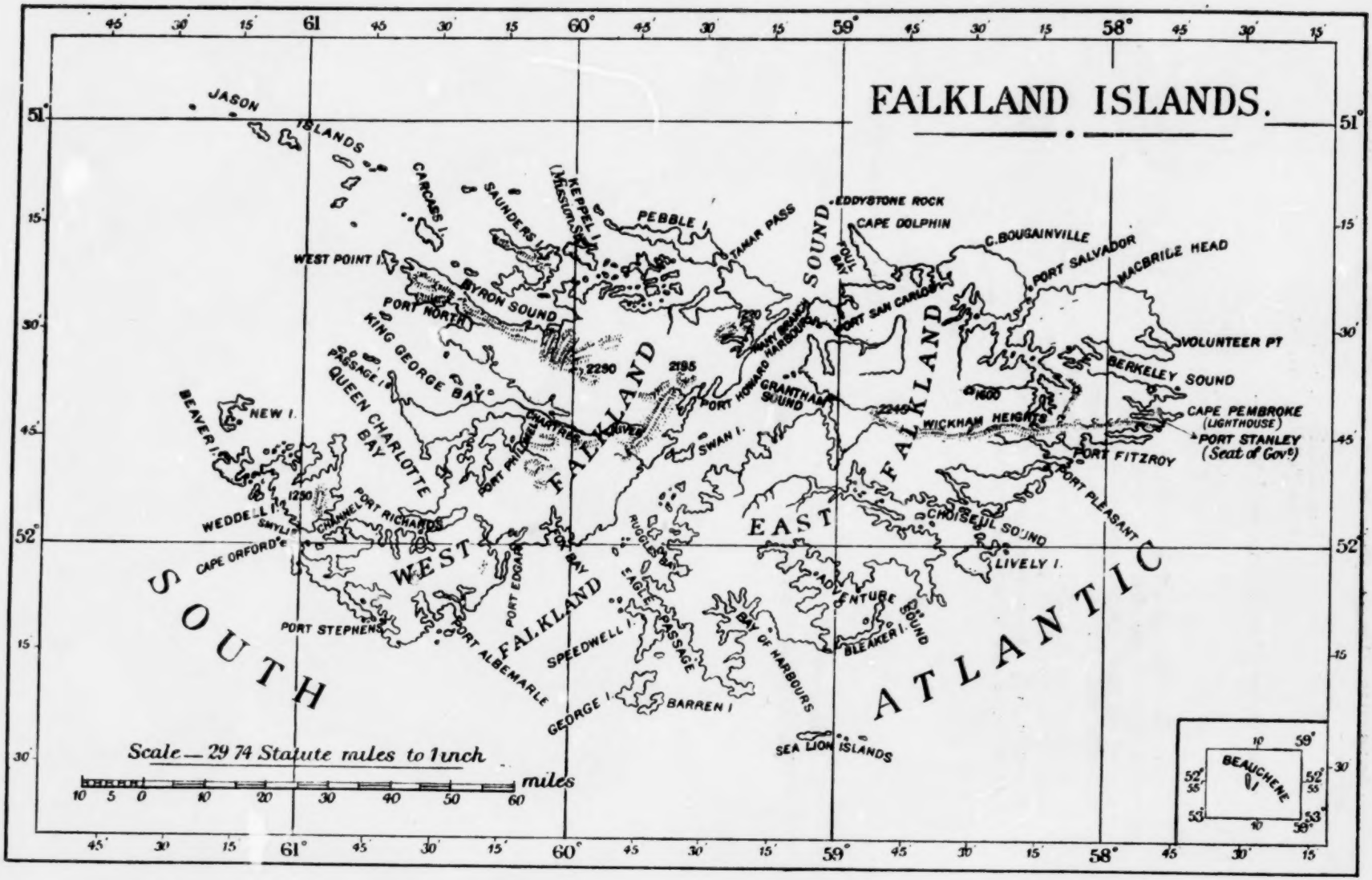
Grass-seed sowing.—The value of this experiment is distinctly apparent especially where seed has been sown in quantity ; and those who have experimented are thoroughly satisfied with the results. The best time for sowing is the latter part of the autumn or in the winter.

Ditching and Draining.—This important work is now undertaken annually by most of the farmers on the West Falklands ; and several on the East are paying attention to it. By carrying on the work systematically, pasturage is improved and the death-rate of stock is lowered.

I have, etc.,

J. ROBERTSON,
Chief Inspector of Stock.

The Honourable,
The Colonial Secretary.


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I. (MISSIONS)
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
PORT SALVADOR
MACBRILE HEAD
FOUL BAY
PORT SAN CARLOS
WEST POINT I.
BYRON SOUND
PORT NORTH
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
WEDDELL I.
SMYLIE
CAPE ORFORD
CHANNEL
PORT RICHARDS
PORT PHILOMEL
CHARTRES
PORT HOWARD HARBOUR
GRANTHAM SOUND
SWAN I.
2290
2195
2240
1600
1250
WICKHAM HEIGHTS
VOLUNTEER PT
BERKELEY SOUND
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
PORT FITZROY
PORT PLEASANT
CHOISEUL SOUND
LIVELY I.
ADVENTURE SOUND
BLEAKER I.
BAY OF HARBOURS
SEA LION ISLANDS
PORT EDGAR
RUGGLES BAY
EAGLE PASSAGE
SPEEDWELL I.
PORT ALBEMARLE
GEORGE I.
BARREN I.
PORT STEPHENS
SOUTH WEST FALKLAND
EAST FALKLAND
SOUND
ATLANTIC
Scale — 29·74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
BEAUCHENE I.
61° 60° 59° 58°
51° 52° 53°

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
565	Colonial Survey Committee	1907–1908
566	Northern Territories of the Gold Coast	1907
567	Seychelles	,,
568	Bermuda	,,
569	Weihaiwei	,,
570	Hong Kong	,,
571	Malta	1907–1908
572	British Honduras	1907
573	Gold Coast	,,
574	Nyasaland Protectorate	1907–1908
575	Bahamas	,,
576	Gambia	1907
577	St. Vincent	1907–1908
578	Turks and Caicos Islands	1907
579	St. Lucia	,,
580	Fiji	,,
581	Mauritius	,,
582	Straits Settlements	,,
583	Southern Nigeria	,,
584	Imperial Institute	1906–1907
585	Barbados	1907–1908
586	Somaliland Protectorate...	,,
587	Trinidad and Tobago	,,
588	Sierra Leone	1907
589	British Guiana	1907–1908
590	Grenada	1907
591	Leeward Islands	1907–1908
592	East Africa Protectorate...	,,
593	Bechuanaland Protectorate	,,
594	Northern Nigeria	,,
595	Basutoland	,,
596	Swaziland	,,
597	St. Helena	1908
598	Gibraltar	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
51	Southern Nigeria	Forest Administration.
52	South Africa	Native Education.
53	East Africa Protectorate	Veterinary Bacteriological Work, 1907–8.
54	Newfoundland	Governor's Visit to the Micmac Indians.
55	Cape Colony	Rietfontein Area.
56	Turks Islands	Salt Industry
57	Uganda	Governor's Tour.
58	British Colonies	Fibres.

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1909.

2

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COLONIAL REPORTS—ANNUAL.

No. 645.

873
349
10

FALKLAND ISLANDS.

REPORT FOR 1909.

(For Report for 1908, *see* No. 599.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1910.

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CONTENTS.

	PAGE
I.—Financial	4
II.—Trade and Industries	7
III.—Legislation	11
IV.—Education	12
V.—Savings Bank	13
VI.—Judicial	13
VII.—Vital Statistics	13
VIII.—Postal Service, &c.	15
IX.—General	16
Report of the Chief Inspector of Stock	17
Map	19

JUN 8 1911

No. 645.

FALKLAND ISLANDS.

(For Report for 1908, *see* No. 599.)

THE ACTING GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
2nd June, 1910.

MY LORD,

I HAVE the honour to report to your Lordship on the Blue Book for this Colony for the year ended the 31st December, 1909.

I have, &c.,
T. H. V. BEST,
Administrator.

The Right Honourable
The Secretary of State for the Colonies,
Downing Street, S.W.

(17140—2.) Wt. 27349—387. 1125 & 85. 8/10. D & S. A 2

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1909.

I.—FINANCIAL.

(*a.*) Revenue and Expenditure.

The revenue for the year ended 31st December, 1909, exclusive of receipts in respect of land sales and under the Live Stock Ordinance, was £17,609, and the expenditure £16,386, exclusive of the sums spent on Public Works Extraordinary and payments under the Live Stock Ordinance.

The following are the details as compared with 1908:—

Revenue.

Head of Revenue.	1908.	1909.
	£	£
Customs	5,268	4,907
Port Dues, &c.	218	329
Licences, &c.	1,394	1,736
Fines, Fees, &c.	579	737
Post Office	1,303	976
Rents	4,443	4,062
Miscellaneous	186	367
Interest on Investments	4,384	4,495
Total Ordinary Revenue	£17,775	£17,609
Land Sales	5,292	8,993
Stock Ordinance	807	807
Total	£23,874	£27,409

Expenditure.

Head of Expenditure.	1908.	1909.
	£	£
Pensions	555	603
Governor	1,543	1,527
Colonial Secretary	892	891
Treasury	833	756
Audit	19	25
Port and Marine	102	31
Legal	—	3
Police	433	459
Prisons	186	160
Medical	985	1,000
Education	838	872
Ecclesiastical	220	216
Transport	792	769
Miscellaneous	787	904
Post Office	3,301	3,433

Head of Expenditure.	1908.	1909.
	£	£
Colonial Engineer	1,116	1,593
Public Works, Recurrent	1,327	1,305
Interest, &c., Savings Bank	1,475	1,538
Drawbacks and Refunds	246	258
Currency Note Fund	35	41
Total Ordinary Expenditure ...	£15,685	£16,386
Public Works (Extraordinary)	4,082	2,824
Stock Ordinance	602	703
Total	£20,369	£19,913

The annual revenue and expenditure for the five years 1905-1909 under distinguishing heads are as below:—

Revenue.

Year.	Ordinary Revenue.	Land Sales.	Stock Ordinance.	Total.
	£	£	£	£
1905	15,229	12,783	807	28,819
1906	15,822	9,958	807	26,587
1907	17,430	3,528	807	21,765
1908	17,775	5,292	807	23,874
1909	17,609	8,993	807	27,409
Totals	83,865	40,554	4,035	128,454
Averages ...	16,773	8,111	807	2,564

Expenditure.

Year.	Ordinary Revenue.	Land Sales.	Stock Ordinance.	Total.
	£	£	£	£
1905	13,851	974	450	15,275
1906	14,274	1,417	566	16,257
1907	15,248	806	1,080	17,134
1908	15,685	4,082	602	20,369
1909	16,386	2,824	703	19,913
Totals	75,444	10,103	3,401	88,948
Averages ...	15,089	2,021	680	17,788

The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £1,684. Savings effected for the period, £8,421.

The receipts in respect of the import duties on wine, malt, spirits, and tobacco amounted to £3,417, or £797 less than in 1908 and £372 less than the average for the last five years.

Article.	1905.	1906.	1907.	1908.	1909.	Average.
	£	£	£	£	£	£
Wine	110	91	161	90	95	109
Malt	319	384	327	489	227	349
Spirits	1,872	1,920	2,283	1,847	1,746	1,933
Tobacco	1,348	1,512	986	1,788	1,349	1,396
Totals	3,649	3,907	3,757	4,214	3,417	3,789

Stock Fund.

The amount to the credit of the Stock Fund on the 31st December, 1909, was £1,953 as against £1,748 in 1908. The receipts in respect of the land tax levied under the Live Stock Ordinance during 1909 amounted to £807 and the expenditure to £602. The sum of £378 was expended in carrying out the provisions of Ordinance No. 3 of 1905, relating to the thinning of upland geese, &c.

The assets and liabilities of the Colony on the 31st December, 1909, as compared with the assets and liabilities on the 31st December, 1908, are as below:—

Head.	1908. £	1909. £
Assets	134,272	139,417
Liabilities	72,476	69,354
Excess of Assets	£61,796	£70,063

The invested funds at the close of each of the five years 1905-1909 were as under (cost price):—

Fund.	1905.	1906.	1907.	1908.	1909.
	£	£	£	£	£
Land Sales... ...	40,720	50,181	53,704	58,997	68,493
Savings Bank ...	49,919	49,919	49,919	55,919	60,516
Intestate Estates ...	1,596	1,641	1,405	1,444	395
Currency Note ...	3,000	3,300	3,300	3,300	3,300
Surplus	2,300	3,500	14,000	7,300	—
Currency Note Depreciation.	105	140	178	217	257
Totals... ...	97,190	108,681	122,506	127,177	132,961

The market value of the investments on 31st December, 1909, was as follows:—

Fund.	Market Value. £
Land Sales	66,785
Savings Bank	58,561
Intestate Estates	339
Currency Note	2,685
Surplus	—
Currency Note Depreciation	251

A statement of the conditions under which a Government paper currency has been established under Order of Her late Majesty in Council of the 7th March, 1899, will be found in the Report on the Blue Book of the Colony for the year 1905.*

The denomination and value of the notes in circulation at the end of the year 1909 were as under:—

Denomination. £ s.	Value. £
5 0	2,915
1 0	3,572
0 5	113
Total Value	£6,600

II.—TRADE AND INDUSTRIES.

The value of the imports was £98,862 and of exports £261,514 as against £73,062 and £189,972 in 1908.

The following are the details of the imports:—

Class.	1908. £	1909. £
1. Live Animals, Food and Drinks, and Narcotics—		
Aerated waters	429	371
Drugs, &c.	1,542	1,339
Fodder, corn, and hay	1,094	1,110
Fruit and vegetables	581	1,219
Groceries, &c.	18,272	19,514
Live stock	1,981	1,410
Malt liquor	2,319	1,322
Spirits	1,664	1,361
Tobacco, cigars, &c.	1,295	967
Wine	492	504
Totals	£29,669	£29,117

* Colonial Report [Annual] No. 490, [Cd. 2684–36].

Class.	1908. £	1909. £
2. Raw Materials—		
(*a.*) Textile	—	—
(*b.*) Metals and Minerals—		
Coal	1,590	6,278
Other	1,509	1,443
(*c.*) Other—		
Timber	3,931	8,732
Totals	£7,030	£16,453
3. Manufactured Articles—		
(*a.*) Textile—		
Ships' chandlery	7,467	4,619
Haberdashery	8,514	9,331
Wearing apparel, &c.	6,703	8,296
Totals	£22,684	£22,246
(*b.*) Metals and Minerals—		
Hardware, &c.	6,344	16,808
(*c.*) Other—		
Furniture, &c.	3,640	3,409
Glass and earthenware	435	1,618
Timber and Building Material ...	1,260	6,211
Totals	£5,335	£11,238
Totals of Manufactured Articles	£34,363	£50,292
4. Coin and Bullion	2,000	3,000
5. Parcel Post	—*	—†
Grand Totals	£73,062	£98,862

The following tables exhibit the value of the imports and exports of the Colony for the years 1905 to 1909:—

Imports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chili.	Uruguay.	Other countries.	Total imports.
	£	£	£	£	£	£	£
1905...	52,218	—	416	3,428	2,093	—	58,155
1906...	58,867	—	886	4,794	1,886	—	66,433
1907...	66,091	—	1,584	3,674	2,270	—	73,619
1908...	65,744	150	642	4,503	1,770	253	73,062
1909...	89,566	—	225	3,900	1,694	3,477	98,862

* Value £6,086, included in the appropriate classes.
† Value £6,294, included in the appropriate classes.

Exports.

Year.	United Kingdom.	British Colonies.	Argentina.	Chili.	Norway.	Other places.	Total exports.
	£	£	£	£	£	£	£
1905...	167,039	—	411	—	—	—	167,450
1906...	181,439	—	—	250	3,538	—	185,227
1907...	195,571	—	3,334	19,530	*28,000	—	246,435
1908...	137,767	—	—	6,005	*46,200	—	189,972
1909...	180,235	—	—	329	—	*35,950	216,514

* Whale oil and bone.

The following is a statement of the quantity and value of the principal articles of produce exported during the last five years:—

Article.	1905.		1906.		1907.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£	Lbs.	£
Wool	4,251,052	141,701	4,324,215	162,158	4,449,599	166,859
Tallow ...	496,496	5,542	481,600	5,375	618,800	6,906
	No.		No.		No.	
Sheepskins ...	99,987	17,498	62,371	10,915	199,835	19,133
Hides	1,268	888	723	723	831	831
Sealskins ...	151	227	325	228	3,472	6,944
			Tons.		Tons.	
Whale oil ...	—	—	218	3,238	2,400	18,720
Whalebone ...	—	—	5	300	—	—

—*continued.*

Article.	1908.		1909.	
	Quantity.	Value.	Quantity.	Value.
	Lbs.	£	Lbs.	£
Wool	4,401,089	110,186	4,869,275	135,818
Tallow	510,360	6,298	1,159,739	11,483
	No.		No.	
Sheepskins	75,685	12,095	474,249	16,071
Hides	569	503	1,434	991
Seal skins	881	1,733	327	1,070
	Tons.		Tons.	
Whale oil	2,929	56,700	4,006	45,500
Whalebone	5	200	—	—

Pastoral Industry.

The report by the Chief Inspector of Stock for the year 1909 is annexed as an appendix.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

Shipping.

The following are the shipping statistics:—

Nationality of Vessel.	Inwards.					
	Steam.		Sailing.		Tonnage.	
	1908.	1909.	1908.	1909.	1908.	1909.
British	38	32	8	4	147,747	149,296
Chilian	4	—	2	4	772	462
Danish	—	—	2	—	657	391
German... ...	—	—	3	1	3,003	31
Norwegian ...	4	6	2	3	3,432	9,723
Swedish ...	—	—	—	1	—	359
Total ...	46	38	17	13	155,611	160,262

Nationality of Vessel.	Outwards.					
	Steam.		Sailing.		Tonnage.	
	1908.	1909.	1908.	1909.	1908.	1909.
British	36	32	4	2	140,323	144,538
Chilian	4	—	—	3	733	246
Danish	—	—	2	—	657	—
French	—	—	1	—	1,944	—
German... ...	—	—	2	—	2,943	31
Norwegian ...	4	6	2	3	3,432	5,598
Swedish ...	—	—	—	1	—	359
Total ...	44	38	11	10	150,032	150,772

The following is a comparative statement of the total shipping inwards and outwards for the five years 1905 to 1909:—

Year.	Inwards.			
	Steam.	Sailing.	Total.	Tonnage.
1905	35	14	49	122,803
1906	39	18	57	137,470
1907	50	16	66	145,696
1908	46	17	63	155,611
1909	38	13	51	160,262

Year.	Outwards.			
	Steam.	Sailing.	Total.	Tonnage.
1905	35	10	45	116,453
1906	38	17	55	140,548
1907	53	16	69	147,732
1908	44	11	55	150,032
1909	38	10	48	150,772

Shipping Casualties.

The British sailing ship " Lonsdale " (1,685 tons), bound from Hamburg to Mazatlan, put into Port Stanley for water on the 19th August. She dragged anchor and got foul of the hulk " Glengowan's " bowsprit, sustaining some damage. On the 15th September a fire broke out on the ship; on the 30th September a second fire broke out and the vessel became a constructive loss; the hulk and cargo were sold to a firm in Punta Arenas, some temporary repairs were effected and the vessel was towed out of the harbour for that port on 30th April.

Two other vessels put into Port Stanley for repairs, viz., the " Fairport " and the " Deccan."

III.—LEGISLATION.

Nine Ordinances were passed.

Ordinance No. 2 amends Summary Jurisdiction Ordinance, 1902.

Ordinance No. 3 extends the provisions of the Imperial Deceased Wife's Sister's Marriage Act, 1907, to the Colony and Dependencies.

Ordinance No. 4 prohibits the passing of sentence of death on a child or young person.

Ordinance No. 5 regulates the practice and procedure in Appeals to His Majesty in Council.

Ordinance No. 6 regulates the seal fishery in the Dependencies. It provides for the issue of sealing licences to applicants on payment of £50, and enacts penalties against killing or capturing seals without a licence or contrary to the terms of a licence. No licence may be granted in respect of seal reserves which are defined as land or water set apart for the breeding of seals.

Ordinance No. 7 provides for the preservation of penguins in the Dependencies. The taking of penguins without a licence is prohibited.

Ordinance No. 8 provides for Public Education. Attendance at school is made compulsory for all children between the ages of 5 and 14, and provision is made for warning and fining the

parents of children who do not attend. Pupil teachers, who must possess certain qualifications, may be appointed.

Ordinance No. 9 extends to British ships registered in the Colony, and to the owners, masters, and crews of such ships when within the jurisdiction of the Colony, the provisions of Part II. of the Imperial Merchant Shipping Acts of 1894 and 1906.

IV.—EDUCATION.

The Government Inspector of Schools (the Rev. Canon E. J. Seymour) reports as follows on the progress of education in the Colony during the year 1909:—

"During the past year satisfactory progress has been made in all subjects in the Government School.

"The infants are being well and happily taught, and everything is done to make the lessons bright and attractive.

"The work in the various standards shows improvement. Changes in the teaching staff have proved some drawback, but with the appointment of an additional fully certified teacher progress in the future should become even more marked.

"The written work is done with greater accuracy and neatness.

"The sewing is distinctly good.

"The new Educational Ordinance, which comes in force this year, makes provision for the employment of pupil teachers, and raises the school age to 14 years of age, and both of these innovations will be of value.

"In the 'Camps' the itinerant schoolmasters continue to carry on their difficult work. Where parents co-operate with the schoolmaster the results are satisfactory.

"In Lafonia, the Falkland Islands' Company continue to employ a resident schoolmaster at Darwin, and two itinerant schoolmasters in their 'Camps.'

"The number of children being educated in the Colony during the year 1909 was 428, classified as follows:—

——	Boys.	Girls	Total.
Government School	77	62	139
Roman Catholic School	56	46	102
Taught privately	—	2	2
West Falklands—			
Three Government schoolmasters ...	38	32	70
Taught privately	5	11	16
East Falkland—			
Two Government schoolmasters... ...	19	25	44
Falkland Islands Co.'s camps—			
Darwin	15	15	30
Two camp schoolmasters	8	11	19
Other—			
Taught privately	4	2	6
Totals	222	206	428

"The average attendance was as under:—

	Boys.	Girls.
"Government School (Stanley) ...	67	52·7
"Roman Catholic School	50	40·0 "

V.—SAVINGS BANK.

During the year ended 30th September, 1909, 99 accounts were opened and 29 closed; leaving a total number of 456 depositors with balances amounting in the aggregate to £65,112 0*s*. 1*d*., or an average of £142 15*s*. 9*d*. standing to the credit of each account. The average balance per head of the population of the Colony (computed at 2,065) was £31 10*s*. 6*d*., showing an increase as compared with that of the previous year of £1 9*s*.

The income earned by the Bank was £1,905 8*s*. 8*d*., and the expenses (interest on deposits, &c.) amounted to £1,459 5*s*. 2*d*., leaving a profit on the year's transactions of £446 3*s*. 6*d*.

VI.—JUDICIAL.

The following table summarises the criminal statistics for the year 1905 to 1909:—

——	1905.	1906.	1907.	1908.	1909.
Number of offences reported to the police	64	58	24	44	59
Number of summary convictions :—					
1. For offences against the person ...	2	3	2	4	10
2. For offences against property ...	5	1	5	2	9
3. For other offences	40	29	18	29	23
Number of Supreme Court convictions :—					
1. For offences against the person ...	—	2	—	—	—
2. For offences against property ...	—	—	—	—	2
3. For other offences	—	—	—	—	—
Number of acquittals :—					
1. Inferior Court	17	22	1	9	13
2. Supreme Court	—	1	—	—	2

VII.—VITAL STATISTICS.

The estimated population of the Colony for 1909, exclusive of the Whaling Settlement in South Georgia, was 2,323, as against 2,289 in 1908.

There were 54 births and 20 deaths, as against 58 births and 12 deaths in 1908.

The birth-rate was 23·08 per 1,000, as against 25·33 in 1908.

The death-rate was 8·60 per 1,000, as against 5·24 in 1908.

The deaths include 3 among children under one year of age.

There was one suicide.

The Colonial Surgeon (Honourable R. S. Earl) writes as follows:—

"The health of the Colony has been fair throughout the year. Pharyngitis was prevalent. Two cases of diphtheria occurred in Stanley, and several cases of scarlet fever on the West Falkland. No deaths occurred from those diseases. The District Nurse during the year attended 15 maternity cases, and 25 medical and surgical cases; paying 727 visits. I find the patients she attends appreciate her services.

"All vessels arriving in the Colony were boarded on arrival and inquiries made regarding the health of crew and passengers, but in no case was it found necessary to place any vessel in quarantine.

"SANITATION.

"Stanley is built on the side of a hill; drainage into the sea is very easy, but a few houses are in bad repair without any drainage arrangements. Building, unfortunately, is so expensive that many houses are somewhat overcrowded, containing more than one family. The public health of Stanley would be improved if a pure water supply could be provided. At present, everyone is dependent on the water caught from the roofs of the houses, which, from the prevailing high winds, must contain much dust and other objectionable matter.

"VACCINATION.

"Fifty-one children were vaccinated during the year:—

"Stanley 29
"Lafonia and North Camp 22

"West Falkland, no return available."

RAINFALL.

The total rainfall registered at Stanley during 1909 was 21·870 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records kept at Government House:—

Month.	Rainfall in Inches.	Maximum Inches.	No. of days on which Rain fell.
January	2·335	·360 12th	19
February	2·140	·500 4th	20
March	2·290	·380 5th	16
April	3·540	·500 23rd	20
May	2·475	·880 23rd	20
June	2·031	·430 3rd	21
July	1·200	·370 18th	16
August...	1·509	·570 4th	19
September	·114	·040 7th	12
October	1·558	·800 11th	14
November	·658	·500 5th	17
December	2·020	·705 24th	22
Total	21·870	—	216

VIII.—POSTAL SERVICE, &c.

The revenue of the Post Office was £975, as against £1,303 in 1908. The expenditure (including a subsidy of £2,500 for the conveyance of mails beyond the Colony) was £3,433, as against £3,301 in 1908. The expenditure on the local conveyance of mails was £510.

The Colony is in the Postal Union.

Telegrams are sent and received by post viâ Monte Video and Punta Arenas.

The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On other Places.	Total.
	£	£	£
1905	8,467	135	8,602
1906	8,056	145	8,201
1907	7,646	270	7,916
1908	8,308	264	8,572
1909	8,485	217	8,702

The total number of postal packets (letters, &c.) dealt with during the last five years were as follows:—

Year.	Number.
1905	83,791
1906	83,201
1907	87,854
1908	109,660
1909	122,223

The following statement shows in detail the number of postal packets dealt with during 1909:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and post cards.	24,498	8,157	32,655	24,332	10,270	34,602	67,257
Newspapers, books, &c.	55,960	1,068	57,028	1,960	1,223	3,183	60,211
Parcels	4,341	Nil	4,341	395	20	415	4,756
Totals	84,799	9,225	94,024	26,687	11,513	38,200	132,224
1908	66,301	6,746	73,047	25,441	11,172	36,613	109,660

The value of goods imported by parcel post during the five years ended 1909 was as follows:—

Year.	Value. £
1905	3,593
1906	5,894
1907	6,221
1908	6,086
1909	6,294

A post office has been opened at South Georgia, and 1,000 letters and 389 post cards were despatched to various countries by the mail which left on the 23rd December, 1909.

IX.—GENERAL.

For the fifth year in succession a Flower Show and Industrial Exhibition was opened by His Excellency the Governor, on 26th February. The Exhibition was kept open for two days, and the exhibits compared favourably with previous years.

May 24th was observed as Empire Day. A well-arranged programme was carried out by the children of the Government School, who presented a sum of money to the Governor for the purpose of purchasing a portrait of Her Majesty Queen Alexandra, to be hung on the school wall opposite that of His Majesty King Edward VII., which had been subscribed for and purchased last year. His Excellency addressed the children on their duty to the Empire. Mrs. Allardyce gave them tea in the school hall in the afternoon, which was followed by songs by the children and by an exhibition of magic lantern slides of the Empire.

The Falklands Museum was formally opened by His Excellency the Governor on the 9th November. Thanks to the untiring efforts of Mrs. Allardyce, a fine collection of exhibits, representative of the natural history and industry of the islands, has already been obtained.

The Hon. H. E. W. Grant, Colonial Secretary, Stipendiary Magistrate, &c., was granted three months' leave of absence from 17th June, 1909, and was transferred to the Leeward Islands, 10th November, 1909. The Hon. W. A. Thompson acted as Colonial Secretary, &c., until the arrival of the Hon. T. A. V. Best, who arrived in the Colony on the 16th November. On the 29th December His Excellency the Governor proceeded on leave of absence, and Mr. T. A. V. Best assumed the Administration of the Government. Amongst other official changes may be mentioned:—

The resignation of Lieutenant-Colonel Alex. Reid, D.S.O., V.D., Acting Commandant of Volunteers, and the appointment as Commandant of Captain I. Watt.

G. Hurst, Esq., J.P., Colonial Postmaster and Registrar-General was on leave of absence from 6th April, 1909, to the end of the year. M. Craigie-Halkett, Esq., J.P., acted as Postmaster, &c., during his absence.

The Hon. W. A. Thompson, Colonial Treasurer, &c., returned from leave of absence and resumed his duties on the 7th April, 1909.

The Colonial Surgeon, Dr. E. T. Born, resigned his appointment on the 14th May.

Dr. H. C. E. Quin acted as Colonial Surgeon from 11th June till the arrival of Dr. R. S. Earl, M.A., M.B., B.C. (Cant.) on the 20th October.

Dr. H. M. S. Turner, M.R.C.S. (Eng.), L.R.C.P. (Lond.), was appointed Assistant Colonial Surgeon from 5th May, 1909.

Mr. J. I. Wilson, Acting Treasury Clerk, was appointed Stipendiary Magistrate and Deputy Shipping Master at South Georgia from the 20th November. The Rev. Canon E. J. Seymour was appointed Government Inspector of Schools from 15th January, 1909.

The following were the public works of most general interest:—

The stone portion of the public jetty was decked and the timber extension carried out to its termination in 13 feet of water, at low tide. During the winter the roads of Stanley were much improved. 1,000 c.p. Kitson lamps are being gradually introduced, to replace the old oil street lamps, with excellent results.

The appointment of a Magistrate, who is also Postmaster, in South Georgia, marks another step in the advance of the Dependencies of the Colony. Seven whaling companies now occupy sites in South Georgia, where the whole carcase of the whales is converted into oil and fertilisers. Six companies fished in the waters of the South Shetlands, pursuing the whale through Pelgica Strait to the icy shores of Graham's Land. The 1909 season in the Dependencies was a good one, but was not so remunerative round the Falklands, and it is much to be hoped that the enterprise of Messrs. Salvesen and Company will be more richly rewarded in future. Their station at New Island, fitted with the latest machinery and lighted by electricity, was completed during the year.

ANNUAL REPORT OF THE CHIEF INSPECTOR OF STOCK FOR THE YEAR 1909.

Stanley,
25th April, 1910.

SIR,

I HAVE the honour to submit to you my first Annual Report, for the year 1909.

Owing to my having been in the Colony but a few weeks, I am, unfortunately, not able to give as detailed a report as I should have liked to do.

Sheep.—The number of sheep as shown by the Annual Return is 715,651, showing an increase on last year's number, 688,705, of 26,946. The total is made up as follows, and for comparison it will be as well to show the 1908 figures also:—

—	1908.	1909.	—
Rams	11,534	11,851	Increase of 317.
Wethers	275,188	274,161	Decrease of 1,027.
Ewes...	401,983	429,639	Increase of 27,656.

The number of sheep returned for the year ending May 31st, 1909, as being sold, boiled down, and slaughtered for consumption was:—

—	Sold.	Boiled down.	Slaughtered for Consumption.
Rams	608	1,648	1,390
Wethers	5,892	26,101	4,554
Ewes	4,741	28,922	5,129
Total	11,241	56,671	11,073

Wool.—Prices were about a fair average, and the clip was quite up to the usual standard, averaging about 8¾ lbs.

Imports and Exports.—The importation of horses and sheep is below that of 1908.

From Punta Arenas 70 horses were landed, compared with 109 from the same port in 1908. Twenty-two rams were imported in all, 19 Romney Marsh from England and 3 Merinos from France. Corresponding returns for 1908 are 33. Four hundred and seventy-nine Romney Marsh rams were exported, being 179 above last year's figures. The general health of imported stock was good.

Beaks.—The total number received during the year was 89,480, which is 37,500 above the 1908 return. The increase is from the West Falkland. which returned 51,955 beaks, while last year the number was 14,455.

Cultivation.—The sowing of grass seed is evidently becoming more popular, and, doubtless, those who have gone to this trouble and expense will be well repaid by the results.

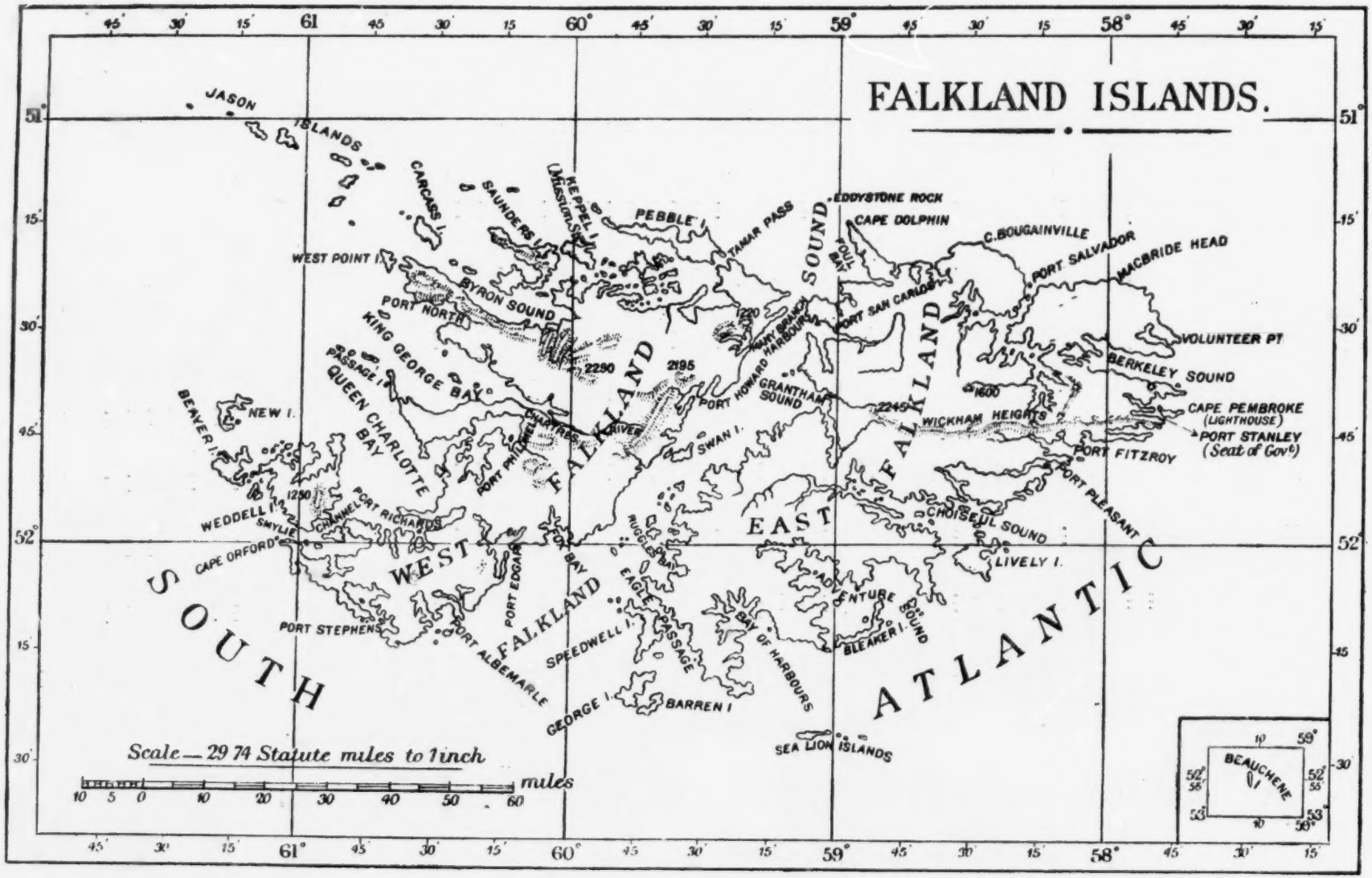
General Health.—The health of the sheep is, on the whole, very good.

The disease thought to be malignant œdema is still existent in the Colony, but I hope to be able to thoroughly investigate it during the coming spring.

I have, &c.,

H. E. Townson, M.R.C.V.S., London,
Chief Inspector of Stock.

The Honourable
The Colonial Secretary.


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I. (MISSIONS)
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
MACBRIDE HEAD
PORT SALVADOR
WEST POINT I.
BYRON SOUND
PORT NORTH
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
WEDDELL I.
SMYLIE CHANNEL
PORT RICHARDS
CAPE ORFORD
PORT STEPHENS
PORT ALBEMARLE
PORT EDGAR
FOX BAY
SOUTH WEST FALKLAND
EAGLE PASSAGE
SPEEDWELL I.
GEORGE I.
BARREN I.
RUGGLES BAY
PORT PHILOMEL
CHARLES RIVER
SWAN I.
PORT HOWARD
GRANTHAM SOUND
FOUR BAY
PORT SAN CARLOS
MARY BRANCH HARBOURS
EAST FALKLAND SOUND
WICKHAM HEIGHTS
VOLUNTEER PT
BERKELEY SOUND
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
PORT FITZROY
PORT PLEASANT
CHOISEUL SOUND
LIVELY I.
ADVENTURE SOUND
BLEAKER I.
BAY OF HARBOURS
SEA LION ISLANDS
ATLANTIC
2250
2195
2245
1600
1250
220
Scale — 29·74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
BEAUCHENE I.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
609	Gambia	1908
610	Malta	1908–1909
611	Sierra Leone	1908
612	Turks and Caicos Islands	"
613	Gold Coast	"
614	Bechuanaland Protectorate	1908–1909
615	Bahamas	"
616	St. Lucia	1908
617	Hong Kong	"
618	Fiji	"
619	Nyasaland Protectorate	1908–1909
620	Barbados	"
621	Trinidad and Tobago	"
622	Straits Settlements	1908
623	Somaliland	1908–1909
624	Mauritius	1908
625	St. Vincent	1908–1909
626	Jamaica	"
627	Swaziland	"
628	Grenada	1908
629	Leeward Islands	1908–1909
630	Southern Nigeria	1908
631	British Honduras	"
632	British Guiana	1908–1909
633	Northern Nigeria	"
634	Basutoland	"
635	East Africa Protectorate	"
636	Uganda	"
637	Weihaiwei	1909
638	St. Helena	"
639	Northern Territories of the Gold Coast	"
640	Ashanti	"
641	Gambia	"
642	Malta	1909–1910
643	Seychelles	1909
644	Colonial Survey Committee	1909–1910

MISCELLANEOUS.

No.	Colony, &c.	Subject.
63	Imperial Institute	Gums and Resins.
64	Uganda	Botany and Forestry.
65	Do.	Sleeping Sickness.
66	Gold Coast	Forests.
67	Southern Nigeria	Mineral Survey, 1905–6.
68	Do. do.	Do. 1906–7.
69	St. Helena	Fisheries.
70	Colonies	List of Laws relating to Patents, Trade Marks, &c.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.

COLONIAL REPORTS—ANNUAL.

No. 682.

FALKLAND ISLANDS.

REPORT FOR 1910.

(For Report for 1909, *see* No. 645.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1911.

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CONTENTS.

		PAGE
I.	Financial	4
II.	Trade and Industries	9
III.	Legislation	13
IV.	Education	13
V.	Government Institutions	14
VI.	Judicial	15
VII.	Vital Statistics	15
VIII.	Postal Service	19
IX.	Naval and Military	20
X.	General	20
	Report of the Chief Inspector of Stock	21
	Post Office Report	22
	Map.	

No. 682.

FALKLAND ISLANDS.

(For Report for 1909, *see* No. 645.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
12th June, 1911.

SIR,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1910, which has been prepared by Mr. W. A. Thompson, who was acting at the time as Colonial Secretary.

I have, &c.,
W. L. ALLARDYCE,
Governor.

The Right Honourable
Lewis Harcourt, P.C.,
&c., &c., &c.,
Secretary of State for the Colonies,
Downing Street, S.W.

(20823—2.) Wt 31959—459. 1125 & 85. 8/11. D & S. A 2

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1910.

I.—FINANCIAL.

(A.) General Revenue and Expenditure.

The following comparative statements show the heads of revenue and expenditure, with the amounts received and expended under each head for the years ended 31st December, 1909, and 31st December, 1910:—

Comparative Statement of Revenue.

Heads.	1909.	1910.	Increase.	Decrease.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Customs	4,906 13 7	5,415 15 6	509 1 11	—
Port, &c., Dues ...	329 9 6	290 16 6	—	38 13 0
Licences, &c. ...	1,735 18 2	2,670 13 1	934 14 11	—
Fees of Court, &c ...	736 11 5	760 0 3	23 8 10	—
Interest	4,495 7 8	4,800 19 10	305 12 2	—
Post Office	975 16 6	1,458 12 6	482 16 0	—
Rents	4,061 14 7	2,948 18 1	—	1,112 16 6
Miscellaneous ...	367 7 11	188 15 5	—	178 12 6
Total Ordinary Revenue.	17,608 19 4	18,534 11 2	2,255 13 10	1,320 2 0
Land Sales	8,993 9 11	7,238 8 5	—	1,755 1 6
Live Stock Ordinance	807 3 6	806 15 0	—	8 6
Total General Revenue.	27,409 12 9	26,579 14 7	2,255 13 10	3,085 12 0

The ordinary revenue for the year ended 31st December, 1910, amounted to £18,534 11*s.* 2*d.*, and was the highest yet received in the Colony, exceeding that for 1908, the previous record year, by a sum of £759 5*s.* 4*d.*

Comparative Statement of Expenditure.

Heads.	1909.	1910.	Increase.	Decrease.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Pensions	602 12 0	630 4 0	27 12 0	—
Governor	1,526 14 7	1,488 16 8	—	37 17 11
Colonial Secretary ...	891 9 3	893 18 10	2 9 7	—
Treasury and customs ...	757 12 1	939 18 3	182 6 2	—
Imperial audit	25 7 8	32 0 0	6 12 4	—
Port and marine	30 16 7	40 9 10	9 13 3	—
Legal	3 3 0	279 9 11	276 6 11	—
Police	458 19 0	492 4 6	33 5 6	—
Prisons	160 0 10	201 19 2	41 18 4	—

Heads.	1909.			1910.			Increase.			Decrease.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Medical	999	12	0	995	19	2	—			3	12	10
Education	872	2	11	894	18	1	22	15	2	—		
Ecclesiastical	215	12	0	222	9	10	6	17	10	—		
Transport	769	8	3	153	8	11	—			615	19	4
Miscellaneous	903	17	11	1,064	7	10	160	9	11	—		
Post office	3,433	8	2	3,359	2	0	—			74	6	2
Colonial engineer ...	1,592	19	8	1,756	18	11	163	19	3	—		
Savings bank	1,538	5	2	1,510	9	6	—			27	15	8
Note fund	40	18	6	50	1	3	9	2	9	—		
Refunds	258	3	9	28	15	9	—			229	8	0
Works recurrent ...	1,304	14	4	998	10	7	—			306	3	9
Total ordinary expenditure.	16,385	17	8	16,034	3	0	943	9	0	1,295	3	8
Works, extraordinary ...	2,823	17	5	1,370	18	11	—			1,452	18	6
Live stock, ordinance ...	703	9	4	795	3	0	91	13	8	—		
Total general expenditure	19,913	4	5	18,200	4	11	1,035	2	8	2,748	2	2

The Ordinary expenditure for the year ended 31st December, 1910, amounted to £16,034 3*s.*, and was less than the ordinary revenue by £2,500 or £352 less than the ordinary expenditure for 1909.

Total Revenue and Expenditure for Five Years 1906 *to* 1910.

Years.	Revenue.			Expenditure.		
	Heads.		Total.	Heads.		Total.
		£	£		£	£
1906	Ordinary ...	15,822		Ordinary ...	14,274	
	Land Sales ...	9,958		Extraordinary...	1,417	
	Stock Ordinance	807		Stock Ordinance	566	
			26,587			16,257
1907	Ordinary ...	17,430		Ordinary ...	15,248	
	Land Sales ...	3,528		Extraordinary...	806	
	Stock Ordinance	807		Stock Ordinance	1,080	
			21,765			17,134
1908	Ordinary ...	17,775		Ordinary ...	15,685	
	Land Sales ...	5,292		Extraordinary...	4,082	
	Stock Ordinance	807		Stock Ordinance	602	
			23,874			20,369
1909	Ordinary ...	17,609		Ordinary ...	16,386	
	Land Sales ...	8,993		Extraordinary...	2,824	
	Stock Ordinance	807		Stock Ordinance	703	
			27,409			19,913
1910	Ordinary ...	18,535		Ordinary ...	16,034	
	Land Sales ...	7,238		Extraordinary...	1,371	
	Stock Ordinance	807		Stock Ordinance	795	
			26,580			18,200
	Total		126,215	Total		91,873

The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £1,909, representing a total surplus during that period of £9,545, which, together with a sum of £955, was employed in defraying certain expenses under Public Works Extraordinary.

There were deficiencies on the estimated revenue for 1910 of £137 19*s.* 9*d.* in Fees of Court, &c., and £690 1*s.* 11*d.* under the head "Rents," making a total of £828 1*s.* 8*d.* All the other heads of revenue showed an increase as compared with the 1910 estimates, making a net total of £1,502 11*s.* 2*d.* for ordinary revenue, and £2,801 14*s.* 7*d.* for general revenue in excess of that estimated.

As compared with 1909, there was a net total increase of ordinary revenue amounting to £925 11*s.* 10*d.* The total general revenue received in 1910 was less than that for 1909 by the sum of £829 18*s.* 2*d.*, the largest decreases being £1,112 16*s.* 6*d.* under "Rents," and £1,755 1*s.* 6*d.* under "Land Sales." The decrease under the former head is due to the purchase by lessees of their leaseholds, under the Land Ordinance, 1903, and also to the payment of rent in 1909, instead of in 1910, by certain Whaling Companies for land leased at South Georgia. Under Section 14 of the Land Ordinance no rent is payable after the payment of 10 per cent. of the purchase money. The decrease under Land Sales is due to a number of lessees having purchased their leaseholds, and paid the 10 per cent. in 1909 instead of in 1910.

The receipts in respect of the Import Duties on wine, malt, spirits, and tobacco amounted to £4,320, or £903 more than in 1909, or £397 more than the average for the last five years.

Article.	1906.	1907.	1908.	1909.	1910.	Average.
	£	£	£	£	£	£
Wine	91	161	90	95	111	109·6
Malt	384	327	489	227	478	381·0
Spirits	1,920	2,283	1,847	1,746	1,868	1,932·8
Tobacco	1,512	986	1,788	1,349	1,863	1,499·6
Totals... ...	3,907	3,757	4,214	3,417	4,320	3,923

There were no important changes in taxation during the year under review.

Assets and Liabilities.

At the closing of accounts on the 31st December, 1910, the assets and liabilities of the Colony were as follows:—

	£
Assets	155,644
Liabilities	77,201
Excess of Assets	£78,443

The following statement shows the surplus of assets at the closing of accounts for the last five years:—

Account.	1906.	1907.	1908.	1909.	1910.
	£	£	£	£	£
Surplus revenue	2,418	3,794	1,728	127	1,256
Land sales fund	50,270	53,799	59,091	68,085	75,323
Live stock fund	1,817	1,543	1,748	1,852	1,863
Totals	54,505	59,136	62,567	70,064	78,442

The following statement shows the amount invested by the various Funds, in the purchase of stocks, at the closing of accounts for the last five years (cost price):—

Fund.	1906.	1907.	1908.	1909.	1910.
	£	£	£	£	£
Land sales	50,181	50,704	58,997	68,493	75,323
Savings bank	49,919	49,919	55,919	60,516	66,516
Intestate estates ...	1,641	1,405	1,444	395	409
Currency note ...	3,300	3,300	3,300	3,300	3,500
Currency depreciation	140	178	217	257	299
Surplus account ...	3,500	14,000	7,300	—	3,500
Total	108,681	122,506	127,177	132,961	149,547

The assumed market value of investments held on the 31st December, 1910, was as follows:—

Fund.	Market Value. £	*s.*	*d.*
Land Sales	71,138	8	4
Savings Bank	61,263	6	9
Intestate Estates	346	3	9
Currency Note	3,245	12	10
,, Depreciation ...	285	10	4
Surplus Account	3,500	0	0
Total	£139,779	2	0

Currency.

British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency is established under Order of Her late Majesty in Council, of the 7th March, 1899. The provisions of the Order are carried out by a Board of Commissioners, consisting of the Colonial Secretary, the Treasurer, and one other person nominated by the Governor.

The redemption of currency notes in circulation is a charge on the moneys and securities in the hands of the Commissioners and

on the general revenue of the Colony. Notes may be issued of any of the following denominations:—

5*s*., 10*s*., £1, £5, and any multiple of £5.

A currency note is legal tender in the Colony, except by the Commissioners at their office.

The coin received in exchange for currency notes has to form a Note Guaranteee Fund, a portion of which, not less than one-half of the value of the notes in circulation, must be kept in coin, by the Commissioners in the Colony, for meeting the payments of currency notes, and is not applicable for any other purpose. The balance may be invested in approved securities to form the Investment Fund, and these securities may only be applied for the payment of currency notes.

When necessary, the securities forming the Investment Fund may be sold to prevent the coin portion falling below the fixed proportion, and provision is made for the temporary postponement of the sale of securities, for a period not exceeding three months. Until the coin portion of the fund amounts to one-half of the value of the notes in circulation, no further investment of securities can be made, and the whole income of the investment portion of the fund shall be carried to, and form part of, the coin portion of the fund.

The income derived from the Investment Fund is applied (a) in paying expenses incurred under the Order, (b) in payment, each year, of 1 per cent. of the cost price of the securities, to form a Depreciation Fund, and (c) subject to the other provisions of the Order, as part of the ordinary revenue of the Colony. When the Depreciation Fund shall not be less than 10 per cent. of the Investment Fund, provision is made for the discontinuance of the annual appropriation of the above-mentioned 1 per cent., and for the merging into general revenue of the Colony of the annual income of the Depreciation Fund.

The denomination, number and value of the notes in circulation at the end of the year 1910 were as follows:—

Denomination.		Number.	Value.
£	*s*.		£
5	0	583	2,915
1	0	3,972	3,972
0	5	452	113
	Total	5,007	£7,000

During the year the income derived from the Investment portion of the Fund amounted to £99 4*s*., and was applied as follows:—£17 1*s*. 3*d*., in payment of expenses, £33, or 1 per cent. of investments, to the Depreciation Fund, and £49 2*s*. 9*d*. to ordinary revenue.

II.—TRADE AND INDUSTRIES.

The value of the imports was £94,294, and that of the exports £308,930, as against £98,862 and £261,514 respectively in 1909. The following gives the details of the imports:—

Class.	1909. £	1910. £
1. Live Animals, Foods and Drinks, and Narcotics—		
Aerated waters	371	380
Drugs, &c.	1,339	1,478
Fodder, corn, and hay	1,110	1,635
Fruit and vegetables	1,219	878
Groceries, &c.	19,514	21,176
Live stock	1,410	2,848
Malt liquor	1,322	1,022
Spirits	1,361	1,691
Tobacco, cigars, &c.	967	1,262
Wine	504	580
Totals	£29,117	£32,950
2. Raw Materials—		
(*a*) Textile	—	—
(*b*) Metals and Minerals—		
Coal	6,278	9,576
Other	1,443	2,381
(*c*) Other—		
Timber	8,732	6,073
Totals	£16,453	£18,030
3. Manufactured Articles—		
(*a*) Textile—	—	1,628
Ships' chandlery	4,619	3,801
Haberdashery	9,331	7,847
Wearing apparel, &c.	8,296	10,106
Totals	£22,246	£23,382
(*b*) Metals and Minerals—		
Hardware, &c.	16,808	13,147
(*c*) Other—		
Furniture, &c.	3,409	2,521
Glass and earthenware	1,618	450
Timber and building material ...	6,211	3,314
Totals	£11,238	£6,285
Total of Manufactured Articles	£50,292	£42,814
4. Coin and Bullion	3,000	500
Grand totals	£98,862	£94,294

Including the importations by parcel post, the value of which was £7,052, the following figures give the value of the imports for the years 1909 and 1910:—

Country.	1909. £	1910. £
United Kingdom	89,566	81,924
British Colonies	—	—
Argentina	225	192
Chili	3,900	3,949
Uruguay	1,694	7,093
Other Countries	3,477	1,136
Totals	£98,862	£94,294

The following figures give the value of the exports for the year 1909 and 1910:—

Country.	1909. £	1910. £
United Kingdom	180,235	232,192
British Colonies	—	—
Argentina	—	—
Chili	329	394
Norway	35,950	—
Other Countries	—	76,344
Totals	£216,514	£308,930

The following gives the details of the exports:—

Article.	1909.		1910.	
	Lbs.	£	Lbs.	£
Wool	4,869,275	135,818	4,828,109	161,666
Tallow	1,159,739	11,483	481,173	8,439
	No.		No.	
Sheepskins	474,249	16,071	33,198	4,138
Hides	1,434	991	1,053	963
Seal skins	327	1,070	170	170
	Tons		Tons	
Whale oil	4,006	45,500	6,433	120,995
			Lbs.	
Whalebone	—	—	104,800	2,280

The following shows the total imports and exports for the last five years 1906 to 1910:—

	Imports. £	Exports. £
1906	66,433 ...	185,227
1907	73,619 ...	246,435
1908	73,062 ...	189,972
1909	98,862 ...	216,514
1910	94,294 ...	308,930
	£406,270	£1,147,078

Fisheries.

The rapid growth of the whaling industry in the Dependencies during the last few years is a notable feature in the development of the resources of the Colony. Seven whaling companies at South Georgia have leased sites for whaling factories on shore. At South Shetlands, Graham's Land, and the South Orkneys the dozen or more companies operating in territorial waters employ floating factories as distinct from shore factories.

Pastoral Industry.

The report by the Chief Inspector of stock for the year 1910 is annexed as an appendix.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

The amount to the credit of the Stock Fund on the 31st December, 1910, was £1,863, as against £1,852, in 1909. The receipts in respect of the land tax levied during the year under the Live Stock Ordinance amounted to £807, and the expenditure to £795. The sum of £379 17*s*. 8*d*. was expended in carrying out Ordinance No. 3 of 1905, which provides for the diminishing of geese.

Two meat canning factories are in course of erection on the East Falkland; all the necessary plant has been imported, and it is expected that operations will commence in 1911. Hitherto all surplus sheep have been boiled down for their tallow only. It is satisfactory to know that steps have at last been taken to do away with, in part at any rate, the waste which has existed up to the present. This new industry should be helpful in affording additional employment locally.

Shipping.

The number of sailing vessels that entered inwards was 14, with a tonnage of 19,099, an increase of 1 in number, and 8,472 in tonnage. 35·7 per cent. of the number, and 53 per cent. of the tonnage, was British, as against 31 per cent. and 66·5 per cent. respectively in 1909.

The number of steamers entered was 58, with a tonnage of 149,121, an increase of 2 in number, but a decrease of 555 in tonnage. 63·8 per cent. of the number, and 90·8 per cent. of the tonnage, was British, against 78·6 per cent. and 96·4 per cent. respectively in 1909.

The above figures do not include ships of war and yachts, of which one of the former called at Port Stanley.

The following is a summary of the total shipping for the last five years:—

Vessels Entered.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1906	33	122,540	10	4,843	6	2,309	8	7,778
1907	33	130,631	6	2,217	17	5,588	10	7,260
1908	38	139,796	8	7,951	8	1,759	9	6,105
1909	44	144,024	4	7,202	12	5,652	9	3,625
1910	37	135,505	5	10,089	21	13,616	9	9,010

Vessels Cleared.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1906	34	122,761	10	8,172	4	1,867	7	7,748
1907	33	130,631	5	2,140	20	6,755	11	8,206
1908	36	137,978	4	2,345	8	1,759	7	7,950
1909	37	140,951	3	5,517	5	1,[illegible]58	7	3,397
1910	37	135,505	4	7,972	8	6,124	8	7,762

Stanley is a port of registry, and at the close of the year there were six vessels on the register, with a total tonnage of 393 tons.

Shipping Casualties.

The British ship "Deanmount," with a cargo of nitrate from Iquique to Bilbao, put into Port Stanley on 19th March, having sprung a leak. On 16th May, when the crew were trimming cargo preparatory to proceeding to sea, the ship was discovered to be on fire. On 13th June she cleared outward and subsequently went on shore within 80 miles of her ultimate destination and was totally lost.

The British ship "Lonsdale," which had been lying in Stanley Harbour since the previous year, owing to serious damage by fire, cleared on 30th April, and was towed to Punta Arenas to be converted into a storage hulk.

The Norwegian ship "Copley," with a cargo of patent fuel from Cardiff to Antofagasto, put into Port Stanley on 15th May leaking, and with steering-gear damaged. She cleared outward on 11th July after completion of repairs.

The British ship "Inverness-shire" anchored off the Sea Lion Islands on 13th June and was abandoned. The Falkland Islands Company's tug "Samson" towed her to Stanley on 16th June. The crew did not arrive until four days later. The ship cleared outward on 22nd September.

The French ship "Marechal de Castries," with a cargo of iron from Brest to Portland, Oregon, was towed into Reef Harbour, Port Stephens, on 5th September—the cargo having shifted—by one of Messrs. Salvesen and Company's steam whalers. She was subsequently towed to New Island for repairs and finally cleared on 29th November.

The British ship "Wray Castle" with a cargo of guano from Llobos de Terra to Antwerp put into Port Stanley in distress on 13th October and cleared on 13th December after her repairs were completed.

The British ship "Cambrian Princess" put into Port Stanley on 1st December, with the master sick. She cleared outward on 22nd December.

The British ship "Wavertree" put into Port Stanley on 7th December, dismasted.

The German ship "Alsterberg" put into Port Stanley on 20th December with steering gear damaged.

III.—LEGISLATION.

The only Ordinances passed during the year were the Appropriation and Supplementary Appropriation Ordinances.

IV.—EDUCATION.

The Government Inspector of Schools (the Very Rev. Dean Seymour) reports as follows on the progress of education in the Colony during the year 1910:—

"The year may be summed up as one of satisfactory improvement in the Government School.

"The number on the roll show a considerable advance, and the average attendance is satisfactory, making due allowance for absences owing to mild epidemics.

"The work in the various standards shows that progress which was marked last year is still maintained.

"The written work is done neatly and accurately.

"The sewing throughout is good.

"The Infants are well taught.

"Teachers are to be congratulated on their work, which is throughout characterised by right methods of instruction.

"The strength of the staff has been added to by the appointment of pupil teachers, who will, as years pass by, become more and more useful. In the 'Camps' the itinerant schoolmasters are doing good work. Efforts are being made to bring about the

use of similar text books to those in the Government Schools. This will be of special benefit to those children who remove from time to time from the Camp to Stanley.

"In Lafonia the Falkland Islands Company employ a resident schoolmaster at Darwin, and two itinerant schoolmasters in their 'Camp'."

The number of the children being educated in the Colony during the year was 434 as against 428 for 1909, and are classified as follows:—

—	Boys.		Girls.		Totals.	
	1909.	1910.	1909.	1910.	1909.	1910.
Government School, Stanley ...	77	87	62	74	139	161
Roman Catholic School, Stanley ...	56	29	46	67	102	96
Taught privately, West Falkland ...	—	3	2	—	2	3
Three Government schoolmasters ...	38	29	32	31	70	60
Taught privately, East Falkland ...	5	4	11	7	16	11
Two Government schoolmasters ...	19	19	25	26	44	45
Falkland Islands Company's camps	15	5	15	7	30	12
Two camp schoolmasters	8	15	11	22	19	37
Other:—						
Taught privately	4	4	2	5	6	9
Totals	222	195	206	239	428	434

V.—GOVERNMENT INSTITUTIONS.

Victoria Cottage Home.

The Victoria Cottage Home was erected for the relief of the aged and infirm poor. It is in charge of a nurse-matron, and under the control of the Medical Department. The Colonial Surgeon reports that there is but one permanent resident, and that during the year three other Falkland Islands patients were admitted, one of whom died, the remaining two after a few weeks were discharged cured. Last December illustrated the usefulness of the Institution, when for several weeks there were no less than six other inmates, including three cases of fractured limbs from a ship in distress; and one amputation case from a whaler. During the year the nurse matron attended 28 medical or surgical cases, and 24 maternity cases, an increase of 3 and 9 cases respectively. The total number of visits paid by the nurse matron during the year was 1,123, an increase of 396 on the previous year.

Savings Bank.

During the year ended 30th September, 1910, 70 accounts were opened and 55 closed; leaving a total number of 471 depositors with balances amounting in the aggregate to £70,265 8*s.* 4*d.*,

or an average of £30 0*s*. 6*d*. standing to the credit of each account. The average balance per head of the population (computed at 2,065) was £34 0*s*. 6*d*., showing an increase as compared with that of the previous year of £2 10*s*.

The income earned by the bank was £2,000 11*s*. 11*d*., and the expenses (interest on deposits, &c.) amounted to £1,562 2*s*. 7*d*., leaving a profit on the year's transactions of £438 9*s*. 4*d*.

VI.—JUDICIAL.

The following table summarises the criminal statistics for the year 1906 to 1910:—

—	1906.	1907.	1908.	1909.	1910.
Number of offences reported to the police	58	24	44	59	91
Number of summary convictions:—					
1. For offences against the person ...	3	2	4	10	8
2. For offences against property ...	1	5	2	9	3
3. For other offences	29	18	29	23	70
Number of Supreme Court convictions:—					
1. For offences against the person ...	2	—	—	—	—
2. For offences against property ...	—	—	—	2	—
3. For other offences	—	—	—	—	—
Number of acquittals:—					
1. Inferior Court	22	1	9	13	10
2. Supreme Court	1	—	—	2	2

VII.—VITAL STATISTICS.

The estimated population of the Falkland Islands was 2,356 on December 31st, 1910. There were 45 births and 16 deaths during the year. The birth-rate was 18·92 per 1,000, as compared with 23·08 in 1909. The death-rate was 6·72 per 1,000, as against 8·60 per 1,000 in 1909. The Colonial Surgeon (Dr. R. S. Earl) reports as follows:—

"The birth-rate is a lower one than that of any European country with the exception of France, which is 20·00 per 1,000; the United Kingdom having a birth-rate of over 26·000 per 1,000. The average death-rate in England is about 14 per 1,000, the healthiest county there having a rate of slightly over 12 per 1,000. These figures are misleading unless one remembers that the population of these islands is an exceptional one owing to the immigration of young men, who frequently leave the Colony when past middle age. Males are greatly in excess of females, the proportion being as much as 3 to 2.

"It is very satisfactory to note that no death occurred of persons between the ages of 8 months and 40 years. I find the rate of infant mortality compares very favourably with that of

England and bears witness to the care which mothers here devote to their offspring. The three deaths of infants during the year were due to premature birth, congenital deformity, and convulsions."

Health.

1. The health of the Colony has, with the exception of an epidemic of scarlet fever and influenza, been satisfactory throughout the year.

Scarlet fever appears to have been imported from the West Falkland early in the year. The first case in Stanley occurred in January and at irregular intervals was followed by 8 other cases. No deaths occurred, and the majority of cases were not of a very severe type. I fear other mild cases were not brought to my notice.

2. In July influenza attacked at least 50 per cent. of the inhabitants of Stanley. The disease was apparently imported from Buenos Aires, where it was prevalent. The earlier cases were liable to lung complications: convalescence as usual in this complaint was very protracted. Towards the end of the year there was a marked recrudescence of the disease, when in most cases the digestive organs were affected with severe vomiting and diarrhœa. It is much to be regretted that the epidemics of influenza which have been common to most of the world since 1889 cannot be prevented, as they indirectly greatly increase the death-rate and, by the great depression of spirits and nervous exhaustion caused, add materially to human suffering. The Falkland Islands with their damp, cold climate will be very liable to this disease.

3. In spite of the force of the strong prevailing wind, which usually arouses into fatal activity the hitherto dormant tubercle bacillus, it is interesting to note that although diseases of the respiratory system, especially bronchitis, are prevalent here, phthisis and other forms of human tuberculosis are fortunately almost absent from these islands. I have only seen two cases during the eighteen months I have been here, and in one of these cases the disease was contracted in Patagonia. This fact is the more striking as the disease is found in sheep here, and contrary to the belief prevalent a few years ago human and animal tuberculosis are now admitted by all authorities to be identical diseases.

4. Pharyngitis was as usual prevalent and some cases of acute tonsillitis were seen; this disease is associated with insanitary conditions, overcrowding, lack of ventilation, exposure to cold and wet. Many houses in Stanley are overcrowded, containing more than one family; more houses are urgently required in the town. A philanthropic person would benefit the health and comfort of the community by erecting some. The rate of wages is high, and as, unfortunately, all material has to be imported from abroad, housebuilding is not here as in most places a profitable investment.

5. There can be no doubt that the health of the people in Stanley would benefit if the consumption of alcohol was diminished. In spite of the high duty far too much is used.

Strong beer is largely drunk by the working classes. In the absence of statistics one does not wish to insist too strongly on personal impressions, but I should be surprised if the amount of alcohol consumed per head by the population here is not found to be largely in excess of the average quantity used per head in an English sea-port town.

6. Dyspepsia is prevalent. It would be diminished if people remembered that they ought not to take tea and meat at the same time, also that the tea should be poured away from the leaves and never allowed to infuse for more than ten minutes. It is, however, partly due to the exceptionally bad teeth from which nearly all Falkland Islanders suffer. A good dentist would probably find an annual visit to this place greatly to his financial advantage.

Water Supply.

Owing to the drought in the spring and summer, many of the inhabitants of Stanley suffered serious inconvenience from lack of water. Fortunately on the break up of the drought only a few cases of dysenteric diarrhœa occurred in Stanley. The water supply, which mainly consists of rain water collected from the roofs of the houses, is a very unsatisfactory one and should not be used unless previously boiled, as, besides the slight risk of lead poisoning from the use of ordinary lead paints, a great deal of filth is deposited as dust on the roads, which is washed by the rain into the water cisterns. The sanitary arrangement by which the night-soil is collected by sanitary carts and discharged into the sea has diminished the danger, but until the inhabitants have a pure water supply one does not feel secure from such an outbreak of dysentery as occurred in 1907, when 18 per cent. of the population of Stanley were treated for this disease. I hope it will be found possible to supply the town with pure water at no distant date. Ten gallons per day per head would probably be required.

Quarantine.

All vessels on arrival in the Colony were boarded by the Medical Officer of Health and enquiries made regarding the health of crew and passengers, but in no case was it found necessary to place any vessel in quarantine. The regulations limit "infectious or contagious diseases" to "cholera," "yellow fever," "small-pox" and "the plague." At present there is no danger of the introduction of cholera; yellow fever could not exist in the Falkland Islands; a well vaccinated community need not dread small-pox. Plague has, however, become a disease which must be reckoned with. Since 1898 there have been several outbreaks on this side of the Atlantic. A few cases occurred in Brazil during the past year. The domestic rat plays a most important part in the dissemination of this disease. I think the Falkland Islands would be wise to join the crusade which is at present being so widely waged against this animal.

Rat virus is frequently found very effective, and if boys were paid 1*d.* per head, this pest might for a time be almost exterminated in these islands.

Vaccination.

The lymph received from Buenos Aires monthly is of good quality and has given every satisfaction. The number of successful cases was 44.

District.	Number of cases.
Stanley	22
Lafonia and North Camp ...	22
West Falkland	7
	51

Rainfall.

The total rainfall registered at Stanley during 1910 was 27·68 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records at Government House.

Month.	Rainfall in Inches.	Maximum Inches.		Number of days on which rain fell.
January	3·77	·080	22nd	19
February	2·42	·035	23rd	15
March	·82	·025	23rd	11
April	2·67	·202	17th	23
May	4·39	1·520	3rd	24
June	1·73	·023	5th	22
July	1·96	·305	22nd	22
August...	3·01	1·018	7th	21
September	1·12	·017	3rd	14
October	·25	·010	4th	7
November	2·51	·807	23rd	12
December	3·03	·902	1st	15
Total	27·68	—		205

VIII.—POSTAL SERVICE, &c.

The revenue of the Post Office was £1,459, as against £976 in 1909. The expenditure (including a subsidy of £2,500 for the conveyance of mails beyond the Colony) was £3,359, as against £3,433 in 1909. The expenditure of the local conveyance of mails was £360.

The Pacific Steam Navigation Company's steamers call at Stanley on their voyage out to Callao, and on their return voyage, a fortnight later, thus making a monthly communication by letter with England, and fortnightly by cable viâ Monte Video and Chili.

The Falkland Islands are within the Postal Union as to rates of postage.

During the year a contract was entered into by the Government with Messrs. Salvesen & Co., and a small steamer now runs in connection with the English mail, calling at New Island and Fox Bay, on the West Falklands.

The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On other Places.	Total.
	£	£	£
1906	8,056	145	8,201
1907	7,646	270	7,916
1908	8,308	264	8,572
1909	8,485	217	8,702
1910	8,850	281	9,131

The total number of postal packets (letters, &c.) dealt with during the last five years were as follows:—

Year.	Number.
1906	83,201
1907	87,854
1908	109,660
1909	132,223
1910	147,790

The following statement shows in detail the number of postal packets dealt with during 1910.

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and post cards.	23,004	10,070	33,074	25,029	13,012	38,041	71,115
Newspapers, books, &c.	67,029	1,201	68,230	1,511	1,481	2,992	71,222
Parcels ...	4,992	—	4,992	446	15	461	5,453
Totals..	95,025	11,271	106,296	26,086	14,508	41,494	147,790
1909 ...	84,799	9,225	94,024	26,687	11,513	38,200	132,224

The value of goods imported by parcel post during the five years ended 31st December, 1910, was as follows:—

Year.	Value.
	£
1906	5,894
1907	6,221
1908	6,086
1909	6,294
1910	7,052

The report by the Acting Postmaster for the year 1910 is annexed as an appendix.

IX.—NAVAL AND MILITARY.

The strength of the volunteer force on the 31st December, 1910, was 2 officers and 113 non-commissioned officers and men, showing a decrease, as compared with the strength at the close of 1909, of 2 men. The amount of the capitation grant earned was £94, representing 47 efficients, as against 40 in 1909.

The H.M.S. "Amethyst" made a short stay in Port Stanley from the 26th January to the 17th February. The volunteers were inspected on the 5th February, which took the form of a field-day, the blue jackets and marines being the attacking force, and the volunteers on the defensive. At the close of the inspection Captain Webb informed the volunteers that he would have much pleasure in reporting to the Home Authorities the satisfactory manner in which they had carried out that day's work, as they had had a very difficult task to perform, and he considered that they had performed it with great credit to their officers and themselves.

X.—GENERAL.

A flower show and industrial exhibition was held in Stanley on the 24th February, 1910. This is the sixth year in succession that the exhibition has been held, and is the revival by His Excellency Governor W. L. Allardyce, C.M.G., of a movement initiated in 1867, but which only lasted for a few years.

Sunday, the 22nd May, was observed as "Empire Day," and the 24th May as "Victoria Day."

During the absence on leave from the Colony of the Governor, from the 29th December, 1909, to the 13th December, 1910, the Government was administered by Mr. T. A. V. Best, the Colonial Secretary.

His Excellency Governor W. L. Allardyce, C.M.G., returned from leave of absence on the 14th December, 1910, and resumed the Government of the Colony.

A sketch map of the Colony is attached to this report.

W. A. Thompson,
Acting Colonial Secretary.

20th May, 1911.

ANNUAL REPORT BY THE CHIEF INSPECTOR OF STOCK.

Stanley,
14th February, 1911.

SIR,

I HAVE the honour to present my Annual Report for the year 1910.

Seasons.—The autumn and winter were very wet and hard on stock, but the spring and early summer were the driest known for years.

Sheep.—The number of sheep in the Colony on May 1st was 724,736, an increase of 9,085 on 1909 and 30,031 more than in 1908.

Lambing.—With the exception of a few very bad nights in the early part of the season, the weather was extremely mild and favourable for the lambs. The return, although good, did not equal that of last year. The young stock are of a good quality and the lambs from the various stud flocks are of quite a high standard.

Wool.—The reports on exported wool were good. There was a fair demand for Falkland Island wool throughout the year, some of the best quality fetching 1*s.* 1*d.* per lb. The care in sorting and classing, which farmers are paying much attention to, is evidently appreciated by home buyers. The new clip promises to be superior in every way to that of recent years, and it is hoped that prices will remain firm.

Dipping.—This has been carried on in a satisfactory manner. Several farmers are endeavouring to rid their flocks of keds (ticks) by dipping twice, and this practice might be followed by others with distinct advantage to their flocks.

Imported Stock.—Thirty-eight Romney Marsh rams were imported from England. These rams were mostly two toothed. Annual importations of sheep of this quality are very materially raising the standard of the stock. Many of the rams on arrival were suffering from bronchial trouble, and a few were affected with "Foot Rot." Two rams developed malignant catarrhal fever, an extremely severe and contagious malady. All, however, recovered under treatment and were released from quarantine in 28 days.

I am of opinion that if all imported sheep were dipped while in quarantine, the period of detention might with safety be shortened.

General Health of Sheep.—On the whole very good. Intestinal parasites are common and also, but to a lesser extent, lung worms. The camp being badly infested with them, and being also the main source of infection, renders treatment practically impossible. Samples of blood and flesh were received from a district where heavy loss had been experienced in lambs after marking. These, on microscopic examination, proved to be malignant œdema. The casual organism probably entered the body through a wound, which had become contaminated with infected dirt or earth. Similar examinations have proved the presence of black quarter in the Colony. This disease is even more fatal than anthrax, but usually it is confined to certain districts and even paddocks. It is not, however, infectious.

Horses.—Although 128 horses were imported, being 58 more than last year, there is still a scarcity of horses in the Colony. Several stations are breeding horses and some very good foals and colts are to be seen on these farms. Defective teeth are very common and many animals suffer in condition accordingly. Between 70 to 80 horses' mouths were attended to during one of my visits to the camp. A little use of a tooth rasp in the majority of cases is all that is required and will make a great difference to the health of the horses. The idea that glanders is prevalent amongst the horses is erroneous. The disease may be existent, but although I have looked for its symptoms among hundreds of horses, I have yet to find a suspicious case.

Ditching and Draining.—Much good work is being done in this direction throughout the Colony and especially on the West Falkland.

Wild Birds.—Turkey bussards, corranchos, johnny rooks and geese are all being more or less diminished, more especially the latter. There

seems to be no practical method of dealing with the common large gull, which is thought by many to be a great pest. Nearly £400 was spent during the year on the purchase of geese, turkey, corrancho and rook beaks.

I have, &c.,

H. W. Townson, M.R.C.V.S., Lond.,
Chief Inspector of Stock.

The Hon.
The Colonial Secretary.
M.P. 102/1911.

POST OFFICE REPORT, 1910.

General Post Office,
Stanley,
25th April, 1911.

Sir,

I have the honour to submit the following report on the Post Office for the year ended 31st December, 1910.

2. Although regular mails were received and despatched and other postal business transacted since the year 1880, this is the first report on the Post Office that has been made.

I have, &c.,

M. Craigie-Halkett,
Acting Colonial Postmaster.

The Honourable
The Acting Colonial Secretary,
Stanley.
M.P. 225/1911.

Post Office Receipts.

The receipts for the year amounted to £1,458 12*s.* 6*d.* or £482 16*s.* more than the amount received in 1909 (*vide* Appendix A).

The increase in the receipts for the year is accounted for partly by the large sale of postage stamps after the death of His Most Gracious Majesty King Edward the VII.; to the sales of stamps at the Post Offices at Fox Bay, New Island and South Georgia, and to the increased parcel mails received from the United Kingdom.

Expenditure.

The expenditure for the year, including the subsidy of £2,500 paid to the Pacific Steam Navigation Co., amounted to £3,359 2*s.* (*vide* Appendix B).

Post Offices.

During the latter part of the year 1909 it was found necessary, owing to the growth of the whaling industry in the Colony and its dependencies, to afford increased postal facilities and better control over postal matters, and Post Offices were accordingly established at New Island, West Falkland, and at South Georgia, a Deputy Postmaster being appointed in charge of each office.

In addition to ordinary postal business, the Post Offices at New Island and Fox Bay issue money orders, register letters, insure parcels, &c., these being despatched to England through the Head Office at Stanley.

The money order and parcel systems have not up to the present been extended to South Georgia, ordinary postal business only being transacted at that office. Mails to and from Europe for South Georgia are received and sent through the Post Office at Buenos Aires. Mails between the Colony and South Georgia being dealt with in a similar manner except when an opportunity offers to communicate direct.

Postal.

The total number of postal packets of every description received and despatched (including figures received from South Georgia) was 142,337 or 14,951 in excess of the number handled last year. This increase is in a large measure accounted for by the considerable amount of correspondence received for, and sent by, persons engaged in the Whale Fishing Industry in the Colony and its dependencies, and also to the advantage taken by the public of low rates of postage on letters and parcels. For comparative statement, *see* Appendix C.

Parcel Post.

The number and value of parcels received from and despatched to the United Kingdom during the year was 5,352, value £8,222 15*s*. 1*d*., or an increase in number of 611, value £1,128 2*s*. 2*d*. over the number received from and despatched to the United Kingdom during the year 1909. In order to cope with the large number of parcels received it was found necessary to enlarge the parcel room. This has recently been done and the sorting and delivery of parcels are thereby very much facilitated.

Money Orders.

Issued.—2,222 money orders of the value of £9,131 5*s*. 4*d*. were issued on the United Kingdom and other countries during the year, an increase in value over the previous year of £429 1*s*. 5*d*.

Paid.—74 money orders to the value of £259 2*s*. 7*d*. were paid during the year, an increase in number over the previous year of 22, but a decrease in value of £89 7*s*. 6*d*.

Postal Orders.

During the year 1,587 postal orders, value £654 11*s*. 6*d*., were sold, giving a slight increase over the previous year of 18 postal orders, value £3 4*s*. 6*d*. These figures would show that as a means of remitting small amounts postal orders are largely used.

174 postal orders, value £79 14*s*., were paid in the Colony as against 152 paid last year, value £57 17*s*. 7*d*.

Postage Stamps.

Details of the sales of ordinary postage stamps, post cards and embossed envelopes will be found in Appendix D. The total value of postage stamps, post cards and envelopes sold during the year was £1,115 17*s*. 3½*d*. or an increase over last year's figures of £444 16*s*. 4*d*.

The 1*d*. postage stamp commanded the highest sale, the total number sold being 54,104. The ½*d*. stamp had the next largest sale, the total number sold being 28,507. Next in order comes the 2½*d*. stamp with a sale of 13,082. There was a considerable increase in the sale of 1*s*., 3*s*. and 5*s*. stamps. The sale of post cards was small, only 185 being sold; this is probably due to the large use of picture post cards.

Mail Services.

The mail packet service was performed throughout the year by the Pacific Steam Navigation Co., Ltd., 13 calls outward and 13 calls homeward being made. The time table was kept with great regularity.

Inter-insular Service.

At the beginning of the year mails for the West Falkland were carried by schooner. This service was found unsatisfactory and towards the middle of the year was succeeded by a steam mail service with vessels owned by Messrs. C. Salvesen & Co., of Leith, under contract with the Colonial Government. The mails were carried between Stanley, Fox Bay and New Island with calls at intermediate stations. This service, as regards carriage of mails, was found to work extremely well, and residents on the West Falklands had the advantage, hitherto unknown, of receiving their mails two days after they were received from Europe. In no single instance was the homeward mail steamer missed. The S.S. "Columbus," a vessel better adapted to the carriage of mails and passengers than the steam whalers, recently arrived and has commenced her duties in accordance with the terms of the contract into with Messrs. Salvesen & Co.

Personal.

During the year under report Mr. George Hurst, Postmaster, who returned from leave in April, retired in November after a long service in the Colony. In the same month Mr. Craigie-Halkett was appointed to act as Postmaster. Miss Willis (now Mrs. W. Wade), an efficient Post Office Assistant, tendered her resignation after ten years' service, and has been succeeded by the recent appointment of Mr. A. Newing to be Post Office Clerk.

Appendix A.

Detailed statement of Post Office receipts for the year 1910 and the preceding year:—

	1909. £	s.	d.	1910. £	s.	d.
1. Sale of postage stamps and other stamped postal matter	671	1	0	1,115	17	5
2. Insufficient postage and void money orders	3	10	11	7	11	8
3. Commission money orders ...	77	3	6	78	11	9
4. Share of parcel post	216	19	0	249	19	6
5. Poundage postal orders	7	2	1	6	12	2
Totals	£975	16	6	£1,458	12	6

Increase of receipts, 1910, over preceding year £482 16*s.*

Appendix B.

Detailed statement of Post Office expenditure for the year 1910 and the preceding year:—

	1909. £	s.	d.	1910. £	s.	d
1. Postmaster	131	10	4	307	18	4
2. Deputy Postmaster, Fox Bay ...	36	0	0	36	0	0
3. ,, ,, New Island...	6	16	7	21	13	4
4. Lady Assistants	52	0	0	50	0	0
5. Stamp Sellers	1	0	0	5	7	6
6. Post Boy and Messenger	36	0	0	36	0	0
7. Bureau stores, &c.	15	18	2	42	2	10
8. Subsidy, P.S.N. Co.	2,644	3	1	2,500	0	0
9. West Falkland Mail	510	0	0	360	0	0
Totals	£3,433	8	2	£3,359	2	0

Decrease of expenditure in 1910 as compared with the preceding year £74 6*s.* 2*d.*

Appendix C.

Comparative statement of letters, &c., received and despatched during the year ended 31st December, 1910, and the preceding year:—

—	Received.				Despatched.			
	1909.	1910.	Decrease.	Increase.	1909.	1910.	Decrease.	Increase.
Letters and Postcards.								
United Kingdom	24,498	23,004*	1,494	—	24,332	25,029	—	697
South Georgia ...	—	186	—	186	—	341	—	341
Foreign	8,156	9,884	—	1,728	10,270	12,671	—	2,401
Newspapers, Books, &c.								
United Kingdom	55,960	67,029†	—	11,069	1,960	1,511	449	—
South Georgia ...	—	—	—	—	—	154	—	154
Foreign	1,068	1,201	—	133	1,142	1,327	—	185
Totals ...	89,682	101,304	1,491	13,116	37,704	41,033	449	3,778

* Includes South Georgia 632. † Includes South Georgia 7,528.

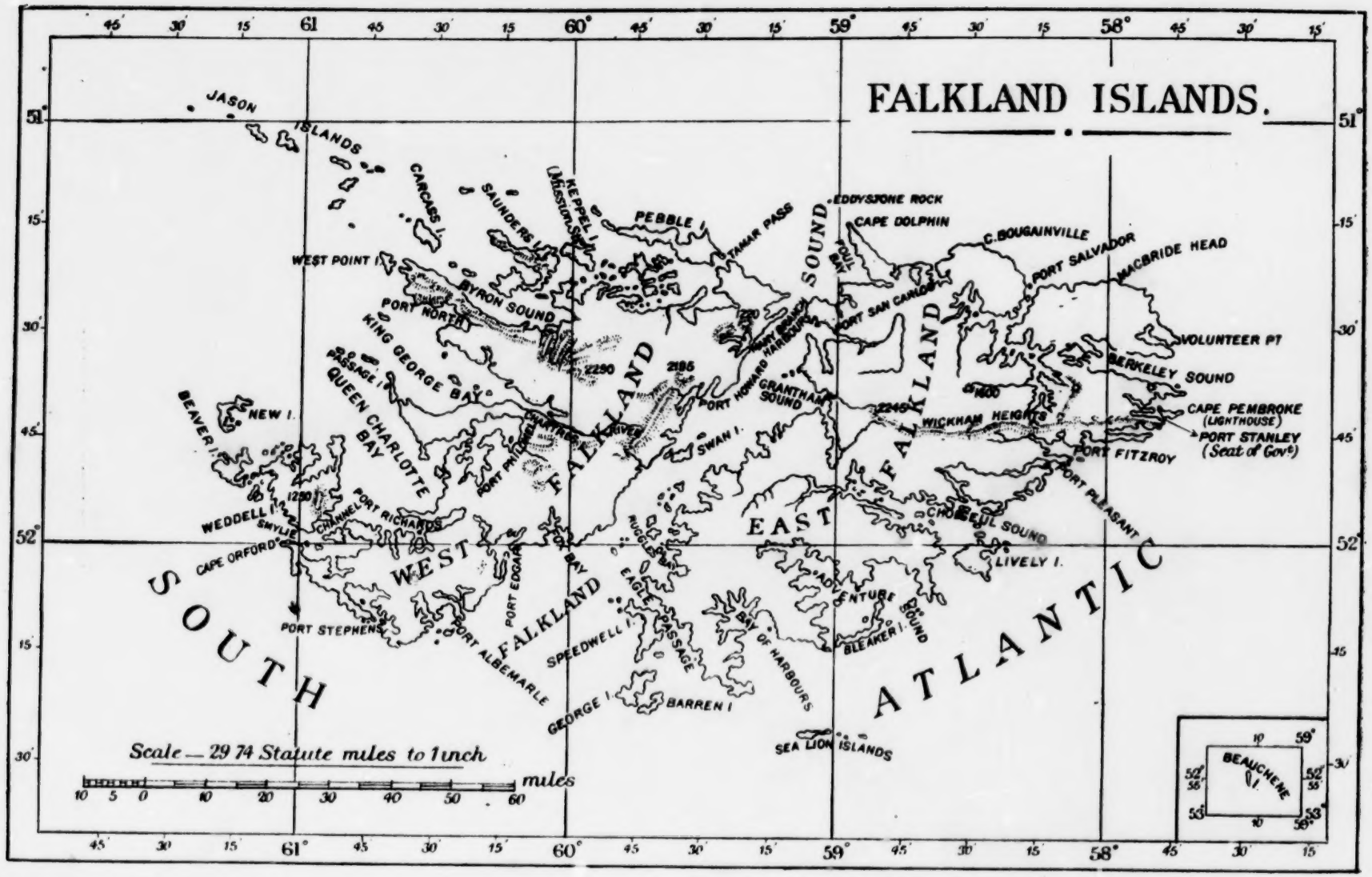
Total received and despatched, 1909 127,386
" " " 1910 142,337
Increase over 1909 of 14,951.

Appendix D.

Statement showing the number and value of postage stamps and other stamped postal matter sold during the year 1910 and the preceding year:—

	1909.	1910.
5*s.*	306	845
3*s.*	325	928
1*s.*	1,604	2,598
9*d.*	657	886
6*d.*	1,068	4,129
2½*d.*	7,995	13,082
2*d.*	3,233	7,914
1*d.*	55,163	54,104
½*d.*	31,586	28,507
1*d.* envelope	1,691	2,679
1*d.* postcards	320	164
2*d.* postcards	1	21
Value	£671 0 11½	£1,115 17 3½

Increase of sales over year 1909, £444 16*s.* 4*d.*
The above figures include sales at New Island ard South Georgia.


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I.
(WESTERN SND.)
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
PORT SALVADOR
MACBRIDE HEAD
WEST POINT I.
BYRON SOUND
PORT NORTH
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
WEDDELL I.
SMYLIE CHANNEL
PORT RICHARDS
CAPE ORFORD
PORT STEPHENS
PORT ALBEMARLE
PORT EDGAR
FOX BAY
WEST FALKLAND
SOUTH
SPEEDWELL I.
EAGLE PASSAGE
GEORGE I.
BARREN I.
BAY OF HARBOURS
SEA LION ISLANDS
PORT HOWARD HARBOUR
PORT SAN CARLOS
GRANTHAM SOUND
PORT HOWARD
SWAN I.
EAST FALKLAND
CHOISEUL SOUND
LIVELY I.
ADVENTURE SOUND
BLEAKER I.
ATLANTIC
VOLUNTEER PT
BERKELEY SOUND
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
WICKHAM HEIGHTS
PORT FITZROY
PORT PLEASANT
2250
2185
2245
1400
1250
Scale — 29 74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
BEAUCHENE I.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
644	Colonial Survey Committee	1909–1910
645	Falkland Islands	"
646	Turks and Caicos Islands	1909
647	Gibraltar	"
648	Sierra Leone	"
649	Somaliland	1909–1910
650	Bahamas	"
651	Tongan Islands Protectorate	"
652	Bechuanaland Protectorate	"
653	Ceylon	1909
654	Gold Coast	"
655	Nyasaland	1909–1910
656	Imperial Institute	1909
657	Fiji	"
658	Grenada	"
659	Hong Kong	"
660	Barbados	1909–1910
661	Swaziland	"
662	Jamaica	"
663	Straits Settlements	"
664	Trinidad and Tobago	1909–1910
665	Southern Nigeria	1909
666	Mauritius	"
667	British Honduras	"
668	St. Vincent	1909–1910
669	East Africa Protectorate	"
670	Uganda	"
671	British Guiana	"
672	St. Lucia	1909
673	Leeward Islands	1909–1910
674	Northern Nigeria	1909
675	St. Helena	1910
676	Gibraltar	"
677	Basutoland	1909–1910
678	Weihaiwei	1910
679	Gambia	"
680	Ashanti	"
681	Turks and Caicos Islands	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
69	St. Helena	Fisheries.
70	Colonies	List of Laws relating to Patents, Trade Marks, &c.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon...	Mineral Surveys, 1906–7 and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.

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1911

3

Gt. Brit. Colonial office.

COLONIAL REPORTS—ANNUAL.

No. 720.

637
5-67
19

FALKLAND ISLANDS.

REPORT FOR 1911.

(For Report for 1910, *see* No. 682.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1912.

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CONTENTS.

I. FINANCIAL ... ...

II. TRADE AND INDUSTRIES ... ...

III. LEGISLATION ... ...

IV. EDUCATION ... ...

V. GOVERNMENT INSTITUTIONS ... ...

VI. JUDICIAL ... ...

VII. VITAL STATISTICS ... ...

VIII. POSTAL SERVICE, &c. ... ...

IX. NAVAL AND MILITARY ... ...

X. GENERAL ... ...

REPORT OF THE CHIEF INSPECTOR OF STOCK ... ...

MAP.

D. OF D.
APR 23 1913

No. 720.

FALKLAND ISLANDS.

(For Report for 1910, *see* No. 682.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
10th June, 1912.

SIR,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1910, which has been prepared by Mr. T. A. V. Best, the Colonial Secretary.

I have, &c.,

W. L. ALLARDYCE,
Governor.

The Right Honourable
Lewis Harcourt, P.C.,
&c., &c., &c.,
Secretary of State for the Colonies,
Downing Street, S.W.

G.E.H. April 24, 1913 S.L.

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andronicus publishing company, inc.

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1911.

I.—FINANCIAL.

(A.) General Revenue and Expenditure.

1. The following comparative statements show the heads of revenue and expenditure, with the amounts received and expended under each head for the years ended 31st December, 1910, and 31st December, 1911:—

Comparative Statement of Revenue.

Heads.	1910.	1911.	Increase.	Decrease.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Customs, &c.	5,415 15 6	5,788 13 5	372 17 11	—
Port and Tonnage Dues	290 16 6	551 14 0	260 17 6	—
Internal Revenue ...	2,670 13 1	4,437 18 2	1,767 5 1	—
Fees of Court, &c. ...	760 0 3	2,472 16 9	1,712 16 6	—
Interest	4,800 19 10	5,794 0 8	993 0 10	—
Post Office	1,458 12 6	1,500 6 2	41 13 8	—
Rents	2,948 18 1	3,324 16 2	375 18 1	—
Miscellaneous Receipts	188 15 5	336 12 9	147 17 4	—
Total Ordinary Revenue.	18,534 11 2	24,206 18 1	5,672 6 11	—
Land Sales	7,238 8 5	11,132 6 8	3,893 18 3	—
Stock Ordinance ...	806 15 0	806 15 0	—	—
Total General Revenue.	26,579 14 7	36,145 19 9	9,566 5 2	—

The ordinary revenue for the year ended 31st December, 1911, amounted to £24,206 18*s.* 1*d.*, and was the highest yet received in the Colony, exceeding that for 1910 by £5,672 6*s.* 11*d.*

2. *Comparative Statement of Expenditure.*

Heads.	1910.	1911.	Increase.	Decrease.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Pensions	630 4 0	710 10 11	80 6 11	—
The Governor	1,488 16 8	1,640 5 10	151 9 2	—
Colonial Secretary ...	893 18 10	871 2 3	—	22 16 7
Treasury and Customs ...	939 18 3	802 6 5	—	137 11 10
Audit	32 0 0	23 0 0	—	9 0 0
Port and Marine ...	40 9 10	38 15 2	—	1 14 8
Legal	279 9 11	262 12 0	—	16 17 11
Police	492 4 6	508 10 0	16 5 6	—
Prisons	201 19 2	140 8 4	—	61 10 10
Medical	995 19 2	1,050 5 6	54 6 4	—

Heads.	1910.			1911.			Increase.			Decrease.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Education	894	18	1	992	13	11	97	15	10	—		
Ecclesiastical	222	9	10	219	11	10	—			2	18	0
Transport	153	8	11	475	5	11	321	17	0	—		
Miscellaneous	1,064	7	10	1,194	11	10	130	4	0	—		
Post Office	3,359	2	0	3,775	17	3	416	15	3	—		
Colonial Engineer ...	1,756	18	11	1,844	10	1	87	11	2	—		
Savings Bank	1,510	9	6	1,653	14	10	143	5	4	—		
Currency Note Fund ...	50	1	3	45	10	0	—			4	11	3
Drawbacks and Refunds	28	15	9	41	18	9	13	3	0	—		
Public Works (Recurrent)	998	10	7	1,358	17	7	360	7	0	—		
Total Ordinary Expenditure.	16,034	3	0	17,650	8	5	1,873	6	6	257	1	1
Public Works (Extraordinary).	1,370	18	11	4,810	0	7	3,439	1	8	—		
Stock Ordinance... ...	795	3	0	947	3	9	152	0	9	—		
Total General Expenditure.	18,200	4	11	23,407	12	9	5,464	8	11	257	1	1

The ordinary expenditure for the year ended 31st December, 1911, amounted to £17,650, and was less than the ordinary revenue by £6,557, and £1,616 more than the ordinary expenditure for 1910.

3. *Total Revenue and Expenditure for Five Years* 1907 *to* 1911.

Years.	Revenue.			Expenditure.		
	Heads.		Total.	Heads.		Total.
		£	£		£	£
1907	Ordinary ...	17,430		Ordinary ...	15,248	
	Land Sales ...	3,528		Extraordinary...	806	
	Stock Ordinance	807		Stock Ordinance	1,080	
			21,765			17,134
1908	Ordinary ...	17,775		Ordinary ...	15,685	
	Land Sales ...	5,292		Extraordinary...	4,082	
	Stock Ordinance	807		Stock Ordinance	602	
			23,874			20,369
1909	Ordinary ...	17,609		Ordinary ...	16,386	
	Land Sales ...	8,993		Extraordinary...	2,824	
	Stock Ordinance	807		Stock Ordinance	703	
			27,409			19,913
1910	Ordinary ...	18,535		Ordinary ...	16,034	
	Land Sales ...	7,238		Extraordinary...	1,371	
	Stock Ordinance	807		Stock Ordinance	795	
			26,580			18,200
1911	Ordinary ...	24,207		Ordinary ...	17,650	
	Land Sales ...	11,132		Extraordinary...	4,810	
	Stock Ordinance	807		Stock Ordinance	947	
			36,146			23,407
	Total		135,774	Total		99,023

The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £2,910, representing a total surplus during that period of £14,553.

4. The receipts in respect of the Import Duties on wine, malt, spirits, and tobacco amounted to £4,527, or £481 more than in 1910, or £481 more than the average for the last five years.

Article.	1907.	1908.	1909.	1910.	1911.	Average.
	£	£	£	£	£	£
Wine	161	90	95	111	170	125
Malt	327	489	227	478	250	354
Spirits	2,283	1,847	1,746	1,868	1,856	1,920
Tobacco	986	1,788	1,349	1,863	2,251	1,647
Totals	3,757	4,214	3,417	4,320	4,527	4,046

5. There were no important changes in taxation during the year under review.

Assets and Liabilities.

6. At the closing of accounts on the 31st December, 1911, the assets and liabilities of the Colony were as follows:—

	£
Assets	167,727
Liabilities	76,546
Excess of assets	£91,181

The following statement shows the surplus of assets at the closing of accounts for the last five years:—

Account.	1907.	1908.	1909.	1910.	1911.
	£	£	£	£	£
Surplus revenue	3,794	1,728	127	1,256	3,003
Land sales fund	53,799	59,091	68,085	75,323	86,455
Live stock fund...	1,543	1,748	1,852	1,863	1,723
Totals	59,136	62,567	70,064	78,442	91,181

7. The following statement shows the amount invested by the various funds, in the purchase of stocks, at the closing of accounts for the last five years (cost price):—

Fund.	1907.	1908.	1909.	1910.	1911.
	£	£	£	£	£
Land sales	50,704	58,997	68,493	75,323	85,315
Savings bank	49,919	55,919	60,516	66,516	66,516
Intestate estates ...	1,405	1,444	395	409	422
Currency note ...	3,300	3,300	3,300	3,500	3,750
Currency depreciation	178	217	257	299	345
Surplus account ...	14,000	7,300	—	3,500	3,500
Total	122,506	127,177	132,961	149,547	159,848

8. The assumed market value of investments held on the 31st December, 1911, was as follows:—

Fund.	Market Value. £	s.	d.
Land Sales	84,032	0	0
Savings Bank	63,363	0	0
I testate Estates	358	0	0
Currency Note	3,499	0	0
Currency Depreciation ...	330	0	0
Surplus Account	3,500	0	0
Total	£155,082	0	0

Currency.

9. British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency is established under Order of Her late Majesty in Council, of the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for 1910.*

The denomination, number, and value of the notes in circulation at the end of the year 1911 were as follows:—

Denomination. £	s.	Number.	Value. £
5	0	603	3,015
1	0	4,372	4,372
0	5	452	113
Total ...		5,507 ...	£7,500

II.—TRADE AND INDUSTRIES.

10. The value of the imports was £93,913, and that of the exports £471,156, as against £94,294 and £308,930, respectively, in 1910. The following gives the details of the imports:—

* Colonial Report (Annual) No. 632 [Cd. 5467.—18].

Class.	1910. £	1911. £
1. Live Animals, Foods and Drinks, and Narcotics—		
Aerated waters	380	216
Drugs, &c.	1,478	2,108
Fodder, corn, and hay	1,635	1,704
Fruit and vegetables	878	1,008
Groceries, &c.	21,176	19,121
Live stock	2,848	2,052
Malt liquor	1,022	1,197
Spirits	1,691	1,693
Tobacco, cigars, &c.	1,262	1,534
Wine	580	829
Totals	£32,950	£31,461
2. Raw Materials—		
(*a*) Textile	—	—
(*b*) Metals and Minerals—		
Coal	9,576	3,798
Other	2,381	4,789
(*c*) Other—		
Timber	6,073	8,483
Totals	£18,030	£17,070
3. Manufactured Articles—		
(*a*) Textile—	1,628	1,529
Ships' chandlery	3,801	4,014
Haberdashery	7,847	8,225
Wearing apparel, &c.	10,106	9,056
Totals	£23,382	£22,824
(*b*) Metals and Minerals—		
Hardware, &c.	13,147	13,081
(*c*) Other—		
Furniture	2,521	2,023
Glass and earthenware	450	444
Timber and building material ...	3,314	4,010
Totals	£6,285	£19,558
Total of Manufactured Articles	£42,814	£59,452
4. Coin and Bullion	500	3,000
Grand totals	£94,294	£93,913

The following figures give the value of the imports for the years 1910 and 1911, arranged according to the country of origin:—

Country.	1910. £	1911. £
United Kingdom	81,924	86,597
British Colonies	—	—
Argentina	192	136
Chili	3,949	4,953
Uruguay	7,093	1,550
Other Countries	1,136	677
Totals	£94,294	£93,913

11. The following figures give the value of the exports for the years 1910-1911:—

Country.	1910. £	1911. £
United Kingdom	232,192	311,750
British Colonies	—	—
Argentina	—	—
Chili	394	33,123
Norway	—	126,283
Other Countries	76,344	—
Totals	£308,930	£471,156

The following gives details of the exports:—*

Article.	1910.		1911.	
	Lbs.	£	Lbs.	£
Wool	4,828,109	161,666	4,643,781	150,134
Tallow	481,173	8,439	551,140	8,830
	No.		No.	
Sheepskins	33,198	4,138	123,642	16,553
Hides	1,053	963	1,027	931
Sealskins	170	170	960	3,732
	Tons.		Tons.	
Whale oil	6,433	120,995	13,174	270,762
Whalebone	47	2,280	209	15,080
Whale plates	—	—	26	1,500
			Cases.	
Tinned meat	—	—	1,335	1,335

The following shows the total imports and exports for the five years 1907 to 1911:—

	Imports. £	Exports. £
1907	73,619 ...	246,435
1908	73,062 ...	189,972
1909	98,862 ...	216,514
1910	94,294 ...	308,930
1911	93,913 ...	471,156
	£433,750 ...	£1,433,007

* Does not include whale oil and guano, valued at £426,478, exported from South Georgia in 1910–1911 to United Kingdom and Norway.

Fisheries.

12. Whaling round the Falkland Islands was not so successful as in former years, one Company established in the islands only producing a total of 7,400 barrels of oil and 50 tons of whalebone. This compares unfavourably with the large amounts obtained in the Dependencies of the Colony.

13. In South Georgia eight Companies are now established. They employ 1,000 men in their factories ashore and afloat. During the 1910-1911 whaling season oil and guano were produced, valued at £534,715. The South Orkneys and the Sandwich Islands were each visited by one Company, and ten Companies held licences for the South Shetlands and Graham's Land. The total catch from these Dependencies was 156,770 barrels of oil and 400 tons of whalebone, together worth over £468,500.

14. The total value of the products of the industry during 1911 was £1,026,415.

Pastoral Industry.

15. The Report by the Chief Inspector of Stock for the year 1911 is printed as an appendix.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

16. The amount to the credit of the Stock Fund on the 31st December, 1911, was £1,723, as compared with £1,863 in 1910. The Land Tax produced £806, the expenditure was £947. £339 was expended on diminishing the number of Upland geese in the Colony under Ordinance No. 3 of 1905, which expires at the end of 1912.

17. The following gives the number of sheep in the Colony for the last five years:—

1907	...	...	...	695,747
1908	...	...	...	688,705
1909	...	...	...	715,651
1910	...	...	...	724,736
1911	...	...	...	706,170

Of these, 61,693 were canned or boiled down, and 14,622 slaughtered for consumption in the Colony; a total of 76,315 killed in 1911, as against 69,704 killed in 1910.

The increase is partly due to the two canning factories, capable of dealing respectively with 600 and 300 sheep daily, which began work in 1910, employing 100 men and producing 25,000 tins of preserved meat. This result was more or less experimental, as the factories will not be in full working order till 1912.

Shipping.

18. The number of sailing vessels that entered inwards was 14, with a tonnage of 12,940, an increase of 6,159 in tonnage, but no increase in the number, as compared with last year. 64·3 per cent. of the number, and 46·7 per cent. of the tonnage was

British, as against 35·7 per cent. and 53 per cent. respectively in 1910.

19. The number of steamers entered was 64, with a tonnage of 141,929, an increase of 6 in number, but a decrease of 7,192 in tonnage. 59·3 per cent. of the number, and 85·7 per cent. of the tonnage, was British, as against 63·8 per cent. and 90·8 per cent. respectively in 1910.

One foreign training ship also called at Port Stanley.

20. The following is a summary of the total shipping for the last five years:—

Vessels Entered.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1907	33	130,631	6	2,217	17	5,588	10	7,260
1908	38	139,796	8	7,951	8	1,759	9	6,105
1909	44	144,024	4	7,202	12	5,652	9	3,625
1910	37	135,505	5	10,089	21	13,616	9	9,010
1911	38	121,711	9	6,036	26	20,218	5	6,904

Vessels Cleared.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1907	33	130,631	5	2,140	20	6,755	11	8,206
1908	36	137,978	4	2,345	8	1,759	7	7,950
1909	37	140,951	3	5,517	5	1,058	7	3,397
1910	37	135,505	4	7,372	8	6,124	8	7,762
1911	37	136,836	7	4,892	8	15,030	3	3,651

21. Stanley is a port of registry, and at the close of the year there were seven vessels on the register, with a total tonnage of 504 tons.

Shipping Casualties.

22. The German ship "Alsterberg," and the British ship "Wavertree" cleared outward in January and April after completing repairs begun in 1910.

The German ship "Renee Rickmers" put into Port Stanley on 31st July for general repairs, and left on 25th September.

The Russian four-masted barque "Albyn" arrived in Port Stanley on 22nd September leaking, and with cargo shifted; she cleared on 22nd December.

The British four-masted barque "Kinross-shire" put into Port Stanley on 1st September and cleared outwards for Seattle on 27th November, having restowed her cargo.

The Norwegian barque "Havfruen," belonging to the Kosmos Whaling Company, left South Georgia on 20th November on a whaling expedition to the Sandwich Group. On 3rd December the "Havfruen" was crushed in the ice and sank; no lives were lost.

The British three-masted ship "Claverdon" entered Port Stanley with a cargo of wheat, having shipped heavy seas and lost an apprentice overboard while attempting to pass Cape Horn.

The United States barque "Nuuanu," with general cargo for Honolulu, arrived on 5th November at Stanley with bulwarks washed away and other severe damages, which were being repaired at the close of the year.

III.—LEGISLATION.

23. Seven Ordinances were passed.

Ordinance No. 1 provides for the use of Government wharves and the duties to be paid by vessels using them.

Ordinance No. 5 regulates the sale of liquor in South Georgia. No liquor may be sold or exposed for sale without a licence. Licences are issued by the Stipendiary Magistrate, but must first be approved by the Governor-in-Council.

Ordinance No. 6 is to be construed as one with the Licensing Ordinance, 1882, and imposes penalties on drunkenness and on supplying liquor to persons against whom a prohibition order has been made under the principal Ordinance.

Ordinance No. 7 makes provision for the publication of a revised edition of the Ordinances of the Colony.

IV.—EDUCATION.

24. The Government Inspector of Schools (The Very Reverend Dean Seymour) reports as follows on the progress of education in the Colony during the year 1910:—

"The results of the educational year in the Government School may be classed as highly satisfactory.

"There is a further advance in the numbers of the children on the roll and a very considerable improvement in the average attendances. In both these cases statistics point to the fact that the methods and tuition are duly appreciated alike by parents and children.

"The quarterly examinations held by the Government Schoolmaster further point to the steady work carried on, and prove that steady progress is being made in all subjects taught.

"There has been a marked improvement both this year and last in the neatness and penmanship of the written work.

"The plain sewing is quite one of the most satisfactory features in the school.

"Drawing shows a satisfactory advance.

"The infants are well and happily taught.

"The appointment of pupil teachers has worked quite satisfactorily.

"During the year an important addition was made to the school buildings: the new class room has proved a great advantage, and with growing numbers this further accommodation was quite necessary.

"In the 'Camps' good work is being done by the itinerant schoolmasters. Generally the parents give their best assistance to the teachers, by proper and regular supervision of home lessons, and when this is done progress is quite satisfactory. That the work and visits of the schoolmasters are really appreciated is proved by the wishes often expressed that the visit could be more frequent."

25. The number of children being educated in the Colony during the year was 435 as against 434 for 1910, and are classified as follows:—

—	Boys.		Girls.		Totals.	
	1910.	1911.	1910.	1911.	1910.	1911.
Government school, Stanley ...	87	88	74	77	161	165
Roman Catholic, Stanley	29	39	67	60	96	99
Taught privately, West Falkland...	3	4	—	—	3	4
Three Government schoolmasters, West Falkland.	29	26	31	25	60	51
Taught privately, East Falkland ...	4	4	7	7	11	11
Two Government schoolmasters, East Falkland.	19	25	26	32	45	57
Falkland Islands Company's camps	5	2	7	4	12	6
Two camp schoolmasters	15	23	22	19	37	42
Other:—						
Taught privately	4	—	5	-	9	—
Totals	195	211	239	224	434	435

V.—GOVERNMENT INSTITUTIONS.

Victoria Cottage Home.

26. The Acting Colonial Surgeon reports that the Cottage Home has been of great service. Twenty-six patients were admitted during the year, many of them from ships in harbour.

The district nurse attended 44 cases and paid 842 visits.

King Edward Memorial Hospital.

27. The new hospital, to be erected from a fund subscribed by the Colonists, was begun towards the end of the year. It will contain accommodation for about 12 patients, medical and surgical wards, a maternity ward, and living rooms for patients and nurses.

Savings Bank.

28. During the year ended 30th September, 1911, 63 accounts were opened and closed, leaving a total number of 471 depositors with balances amounting in the aggregate to £69,971, or an average of £148 11*s*. 2*d*. to the credit of each account. This represents £30 15*s*. 11*d*. per head of the population of the Falklands (2,272).

The income earned by the bank was £2,129 1*s*. 3*d*., and the expenses (interest on deposits) £1,533 17*s*. 0*d*., leaving a profit of £595 4*s*. 3*d*.

VI.—JUDICIAL.

29. The following table summarises the criminal statistics for the years 1907 to 1910:—

—	1907.	1908.	1909.	1910.	1911.
Number of offences reported to the police	24	44	59	91	59
Number of summary convictions:—					
1. For offences against the person ...	2	4	10	8	4
2. For offences against property ...	5	2	9	3	1
3. For other offences	18	29	23	70	54
Number of Supreme Court convictions:—					
1. For offences against the person ...	—	—	—	—	1
2. For offences against property ...	—	—	2	—	—
3. For other offences	—	—	—	—	—
Number of acquittals:—					
1. Inferior Court	1	9	13	10	4
2. Supreme Court...	—	—	2	2	1

VII.—VITAL STATISTICS.

30. The Report on the Census of the Colony and its Dependencies was published as a supplement to the "Gazette" of March 1st, 1912. The total population of the islands, including South Georgia (1,003), was found to be 3,275; in the year 1881 it was 1,553. The increase is largely due to the whaling industry, which employs 1,149 males out of a total of 2,370, and

accounts for the small proportion of females in the Colony, who numbered only 905. This industry also explains the presence of 1,093 foreigners, mostly natives of Sweden and Norway.

31. The estimated population on December 31st, 1911, was 3,239. There were 42 births and 11 deaths during the year. Birth-rate per 1,000 17·91; death-rate 6·48.

Health.

32. The following particulars are obtained from the reports of the medical officers and C. N. Foley, Esq., L.R.C.P., M.R.C.S., L.S.A., Medical Officer of the Falkland Islands Company, who has been good enough to supply statistics for Lafonia.

On the East Falkland the winter was very wet, with little sunshine or frost, and diarrhœa was common in Stanley. On the other hand, the almost total absence of this disease on the West Falkland and the general improvement in public health on that island was probably associated with a higher mean winter temperature and a lower rainfall.

There was an outbreak of German measles in Stanley, which probably affected 50 per cent. of the houses in the settlement; infection from Stanley probably accounts for the twelve cases reported from the West Falkland.

On the latter island there were two cases of diphtheria and one on the East Falkland. Five cases of beri-beri were imported by a whaler and a Canadian sealer.

There were four cases of insanity, a large number in a population (East Falkland) of 1,600. Three were sent to England; one was due to alcohol.

33. The Assistant Colonial Surgeon reports considerable improvement in personal hygiene and also in the greater variety of food consumed on the West Falkland. The tooth-brush is becoming a comparatively common object, and fish and vegetables are being added to the universal diet of mutton.

34. During the summer "blue-bottle" flies invade many stations in large numbers. Although there is at present no serious disease in the Colony of which they could act as carriers, they must be regarded as a potential danger, and steps should be taken to limit or reduce their numbers. As means to this end strict cleanliness, including the destruction of garbage and the protection of small birds, is suggested; these flies are reported to be absent from some detached islands on which birds are protected. Blue-bottles are said to have been introduced on the West Falkland by the s.s. "Salembria" in 1878.

35. The number of vaccinations on the East Falkland was 62.

Rainfall.

36. The total rainfall registered at Stanley during 1911 was 37·06 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records at Government House:—

Month.	Rainfall in Inches.	Maximum Inches.	Number of days on which rain fell.
January	6·54	·905 21st	19
February	1·67	·5 1st	15
March	2·35	·405 28th	16
April	3·31	·505 26th	25
May	3·96	1·16 3rd	26
June	2·43	·38 30th	20
July	4·29	1·16 3rd	24
August	4·08	·41 22nd	25
September	1·35	·31 18th	14
October	1·57	·27 17th	19
November	2·83	·62 16th	19
December	2·48	·68 24th	18
Total	37·06	—	240

37. The following is a summary of Meteorological Observations taken at King Edward Cove, South Georgia, during 1911, kindly supplied by the Argentine Government Station:—

Latitude 54° 18′ South. Longitude 36° 27′ West.

Month.	Total rainfall.	Number of days on which rain fell.	Prevailing Wind.	Number of calm days.
January	0·992	11	N.W.	5
February	3·872	13	N.E.	13
March	5·285	20	W.	9
April	5·528	14	S.E.	9
May	0·640	5	S.E.	11
June	5·666	15	S.E.	7
July	4·230	16	N.W.	9
August...	8·464	16	N.W.	7
September	1·396	10	N.	7
October	2·380	16	N.W.	9
November	4·084	19	S.E.	10
December	1·835	16	S.E.	9
Totals	44·372	171	—	105

VIII.—POSTAL SERVICE, &c.

38. The revenue of the Post Office was £1,492, or £66 more than in 1910. The expenditure, including a subsidy of £2,500 for the conveyance of mails beyond the Colony, was £3,776, as against £3,359 in 1910.

39. The Pacific Steam Navigation Company's steamers call at Stanley on their voyage out to Callao, and on their return voyage, a fortnight later, thus making a monthly communication by letter with England, and fortnightly by cable viâ Monte Video and Chile.

The Falkland Islands are within the Postal Union as to rates of postage.

Early in the year an accident interrupted the itinerary of the interinsular mail steamer; since then the service has run smoothly and has given general satisfaction.

40. The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On other Places.	Total.
	£	£	£
1907	7,646	270	7,916
1908	8,308	264	8,572
1909	8,485	217	8,702
1910	8,850	281	9,131
1911	8,879	650	9,529

41. The total number of postal packets (letters, &c.) dealt with during the last five years were as follows:—

Year.	Number.
1907	87,854
1908	109,660
1909	132,223
1910	147,790
1911	153,436

The following statement shows in detail the number of postal packets dealt with during 1911:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and post cards.	20,932	9,669	30,601	25,708	13,209	38,917	69,578
Newspapers, books, &c.	73,688	1,046	74,734	2,397	1,115	3,512	78,246
Parcels ...	5,189	—	5,189	469	14	483	5,672
Totals ...	99,809	10,715	110,524	28,574	14,338	42,912	153,436
1910 ...	95,025	11,271	106,296	26,086	14,508	41,494	147,790

42. The value of goods imported by parcel post during the five years ended 31st December, 1911, was as follows:—

Year.	Value.
	£
1907	6,221
1908	6,086
1909	6,294
1910	7,052
1911	7,823

South Georgia.

43. Mails between South Georgia and Europe travel viâ Buenos Aires. The distance between the latter port and South Georgia is about 1,500 miles, and occupies seven to eight days.

Fourteen mails were received and fourteen despatched during 1911, the average time between receipt and despatch being from five to six weeks.

The total number of postal packets received and despatched was 25,325, an increase of 16,979 over 1910.

Stamps and postcards to the value of £153 were sold during the year.

Wireless Telegraphy.

44. The hitherto isolated state of the Colony will shortly be terminated by the erection of a wireless telegraph station, the tender of the Marconi Wireless Telegraph Co. having been accepted for a 5 kilowatt installation capable of communicating at night with Buenos Aires or Monte Video. The necessary plant has already arrived in the Colony, and a suitable site has been selected for its erection.

Wireless communication, in addition to its many other advantages, will be of great benefit to the postal service of the Colony.

Telephones.

45. In Stanley good progress has been made with the reorganization of the Telephone Exchange. Besides the linking up of Government buildings with those of business houses, provision has been made to install telephones in private houses at a fixed annual rate.

The new system will include the long-distance line between Stanley and Darwin (60 miles) and the lines to Port Louis and Fitzroy, recently erected by the Honourable Vere Packe.

IX.—NAVAL AND MILITARY.

46. The strength of the Volunteer force on the 31st December, 1911, was two officers and 117 non-commissioned officers and men, increase of four on the numbers in 1910. The amount of the capitation grant earned was £96, representing 48 efficients; a number of the men are unable to visit headquarters in order to qualify for the grant. The annual camp was held in February.

X.—GENERAL.

47. The Stanley Assembly Room, which for many years had served as a general meeting place for the town, was burnt to the ground on the night of the 30th March. The foundations of a new town hall were begun towards the end of the year.

48. On the 3rd March the training ship "Taisei Maru" arrived in Port Stanley. This was the first Japanese ship to visit the Colony or to make the passage round Cape Horn.

49. In June the Coronation of their Majesties was celebrated with the greatest enthusiasm.

The "Boy Scouts" held their first meeting on the 23rd July.

50. The Colonial Surgeon, R. S. Earl, Esq., M.A., M.B., B.C., resigned in November and retired on the ground of ill-health.

A sketch-map of the Colony is annexed to this report.

T. A. V. BEST,
Colonial Secretary.

8th June, 1912.

ANNUAL REPORT BY THE CHIEF INSPECTOR OF STOCK.

Stock Department,
Stanley, 16th February, 1912.

SIR,

I have the honour to submit herewith my Annual Report for the year ended on the 31st December, 1911.

It is gratifying to be able again to report a prosperous season for stock owners. Wool made a good price, although not so good as in 1910. Hides, tallow, and skins had also a fair market, and at the present time everything points to a continuance of equally good returns. During the winter and spring more rain fell than had been known for many years; grass was very backward, and consequently stock suffered considerably. However, towards the close of the year grass was abundant, stock quickly picked up, and looked as well as they had done for several seasons past.

Two canning factories were opened in the autumn, at which over 30,000 sheep were canned. There is every hope that these new enterprises will prove a success. Owing to the recent series of outbreaks of foot-and-mouth disease in England, a case of distemper occurring in a dog at Stanley, and complaints from farmers respecting imported horses, it was thought advisable in the interest of stock owners to draw up new importation Regulations, which came into force on the first day of 1912. Copies of these Regulations have been sent to all stations and have been published in the "Gazette"; they can also be had on application to this office.

The prohibition against sheep, cattle, and alfalfa from South American ports is still maintained.

The Ordinance providing for the purchase of goose beaks expires at the end of 1912.

Sheep.—There is a marked decrease in the number of sheep in the Colony, the return being 706,170, which is 18,566 less than in 1910. The health of the sheep is very satisfactory. A few cases of lice were found on the East Falklands. Ticks were much less numerous, especially on stations where it is the practice to dip twice. Dipping has been carried out in a conscientious manner in all districts. Investigations are being made with regard to so-called scrofula, and will be published as soon as they are completed. There is no evidence that the disease is in any way infectious, but

all affected sheep should be killed, as the tendency towards it is probably inherited.

Lambing.—Although the weather at this season was bad, lambs were more plentiful than they were last year, with a very small mortality afterwards. The quality of the young stock improves yearly, some of the hoggets to be seen at certain farms being a credit to the Colony. The good increase should enable farmers to cull more heavily and thus rid their farms of unprofitable old sheep.

Wool.—The clip was in every way satisfactory, being heavier and of better quality than that of the previous year. The new clip threatens to be somewhat light, but in other respects will compare favourably with that of other seasons.

Importations.—During the year twenty-seven Romney Marsh rams were imported from England. These sheep were all shearlings, and were of a better type than many of the sheep brought into the Colony. All sheep imported are now dipped before they are released from quarantine, which is an additional safeguard against introducing parasitic diseases.

Horses.—The number in the Colony is 3,554. These are classified as follows:—Horses and mares, 2,846; brood mares, 438; foals, 245; stallions, 25. Some good sires are needed in the Colony.

Many colts are ruined through neglect of the feet. Two hundred and thirteen horses were imported, including four stallions. This was 85 more than in 1910, and they were of a much better class than in former years.

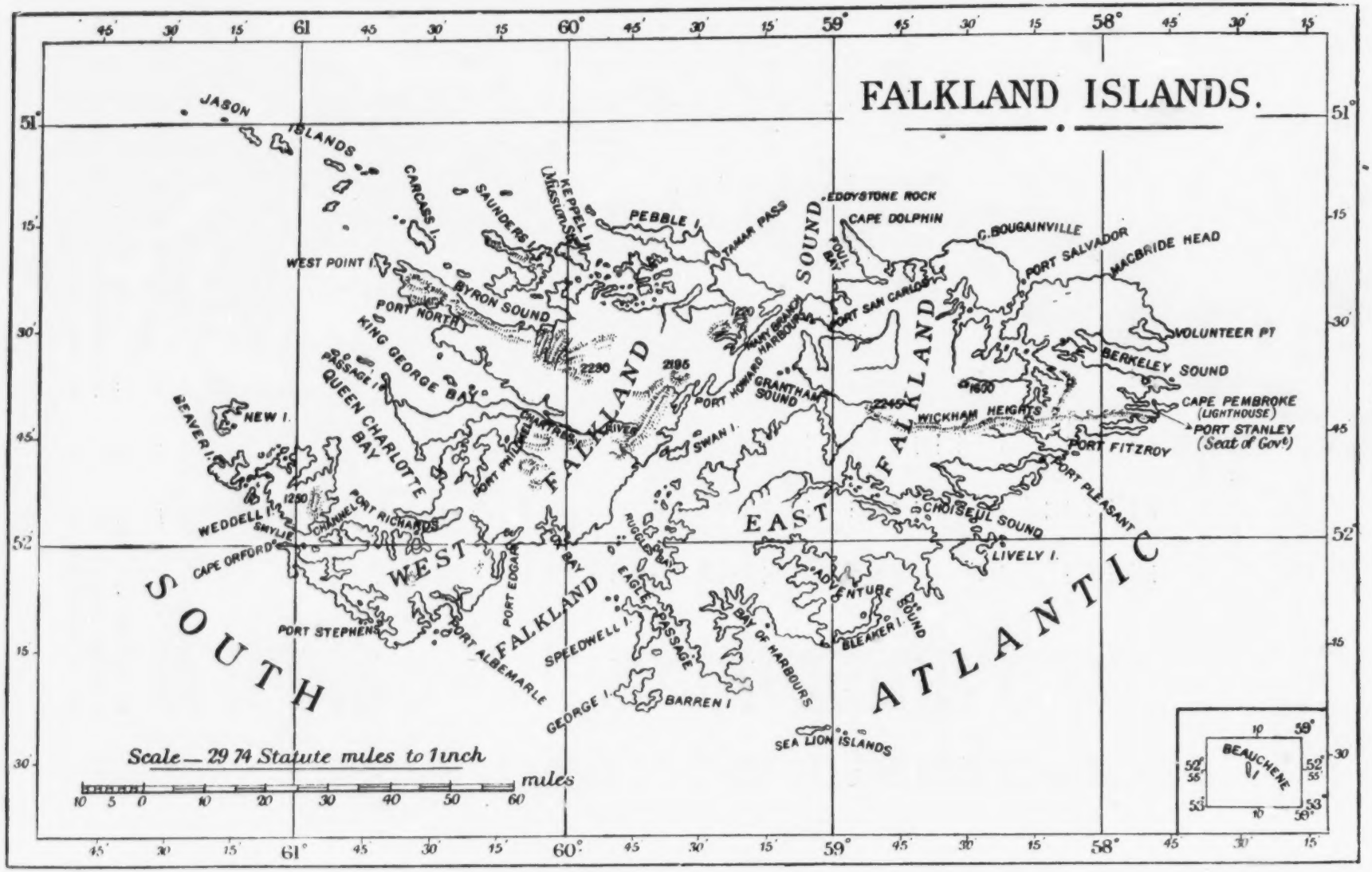
Cattle.—Statistics show that there are 7,859 cattle in the Falklands. It is a regrettable fact that some of the milking cows have been found to be tuberculous. A notice was issued by the Government in October drawing attention to the danger of using tuberculous milk for human consumption, and offering to test samples of milk free of charge. This offer should be taken advantage of by any person milking cows which are in any way suspected of the disease. The percentage of affected animals is not high, so that it is entirely in the hands of stock owners whether the disease shall be stamped out or allowed to spread gradually.

Cultivation.—Some very good hay has been cut in some districts, the growers declaring that they have been well repaid for their trouble and expense. Other farmers should give this a trial, for it must be a very great advantage to have a few tons of good hay on hand in the winter.

I have, &c.,

H. W. Townson, M.R.C.V.S., Lond.,
Chief Inspector of Stock.

The Honourable
The Colonial Secretary.


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I.
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
PORT SALVADOR
MACBRIDE HEAD
WEST POINT I.
BYRON SOUND
PORT NORTH
PORT SAN CARLOS
VOLUNTEER PT
BERKELEY SOUND
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
PORT HOWARD
GRANTHAM SOUND
WICKHAM HEIGHTS
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
PORT FITZROY
PORT PHILOMEL
SWAN I.
WEDDELL I.
CHANNEL PORT RICHARDS
SMYLIE
CAPE ORFORD
CHOISEUL SOUND
PORT PLEASANT
LIVELY I.
RUGGLES B.
EAGLE PASSAGE
ADVENTURE SOUND
BLEAKER I.
PORT STEPHENS
PORT ALBEMARLE
PORT EDGAR
SPEEDWELL I.
BAY OF HARBOURS
GEORGE I.
BARREN I.
SEA LION ISLANDS
SOUTH WEST FALKLAND
EAST FALKLAND
ATLANTIC
BEAUCHENE I.
Scale — 29·74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
61° 60° 59° 58°
51° 52° 53°

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
690	Somaliland	1910
691	Hong Kong	"
692	Nyasaland	1910–11
693	Seychelles	1910
694	Sierra Leone	"
695	Southern Nigeria	"
696	Bechuanaland Protectorate	1910–1911
697	Swaziland	"
698	Barbados	"
699	Trinidad and Tobago	"
700	Mauritius	1910
701	Grenada	"
702	British Guiana	1910–1911
703	Jamaica	"
704	Northern Nigeria	"
705	East Africa Protectorate	"
706	British Honduras	1910
707	Tongan Islands Protectorate	"
708	Uganda	1910–1911
709	Straits Settlements	1910
710	Basutoland	1910–1911
711	Leeward Islands	"
712	St. Vincent	"
713	St. Lucia	1910
714	St. Helena	1911
715	Weihaiwei	"
716	Ceylon	1910–1911
717	Gibraltar	1911
718	Gambia	"
719	Ashanti	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon	Mineral Surveys, 1906–7 and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.

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1912.

COLONIAL REPORTS—ANNUAL.

No. 764.

FALKLAND ISLANDS.

REPORT FOR 1912.

(For Report for 1911, *see* No. 720.)

Presented to both Houses of Parliament by Command of His Majesty.
September, 1913.

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1913.

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CONTENTS.

	PAGE
I.—Financial	4
II.—Trade and Industries	7
III.—Legislation	12
IV.—Education	12
V.—Government Institutions	14
VI.—Judicial	14
VII.—Vital Statistics	14
VIII.—Postal Service, &c.	17
IX.—Naval and Military	19
X.—Public Works...	19
Report of the Chief Inspector of Stock	20
Map.	

No. 764.

FALKLAND ISLANDS.

(For Report for 1911, *see* No. 720.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
7 July, 1913.

SIR,

I HAVE the honour to transmit herewith the report on the Blue Book of this Colony for the year 1912, which has been prepared in the Colonial Secretary's Office.

I have, &c.,
W. L. ALLARDYCE,
Governor.

The Right Honourable
Lewis Harcourt, P.C.,
&c., &c., &c.,
Secretary of State for the Colonies,
Downing Street, S.W.

(31366—7.) Wt. 35104—688. 1125 & 90. 9/13. D & S. A 2

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1912.

I.—FINANCIAL.

(A.) General Revenue and Expenditure.

1. The following comparative statements show the heads of revenue and expenditure, with the amounts received and expended under each head for the years ended 31st December, 1911, and 31st December, 1912:—

Comparative Statement of Revenue.

Heads.	1911. £	1912. £
Customs, &c.	5,788	3,580
Port and Tonnage Dues ...	551	515
Internal Revenue	4,437	4,549
Fees of Court, &c.	2,472	1,323
Interest	5,794	5,931
Post Office	1,500	3,368
Rents	3,324	2,633
Miscellaneous Receipts ...	336	525
Total Ordinary Revenue ...	£24,206	£22,154
Land Sales	11,132	11,074
Stock Ordinance	806	806
Total General Revenue ...	£36,145	£34,036

The ordinary revenue for the year ended 31st December, 1912, amounted to £22,154, being £2,052 less than in 1911.

2. *Comparative Statement of Expenditure.*

Heads.	1911. £	1912. £
Pensions	710	803
The Governor	1,640	1,898
Colonial Secretary	871	1,081
Treasury and Customs ...	802	1,262
Audit	23	24
Port and Marine	38	85
Legal	262	475
Police	508	495
Prisons	140	141
Medical	1,050	1,460
Education	992	989
Ecclesiastical	219	167
Transport	475	832
Miscellaneous	1,194	1,286
Post Office	3,775	4,139

Heads.	1911. £	1912. £
Colonial Engineer	1,844	2,491
Savings Bank	1,653	1,692
Currency Note Fund ...	45	42
Drawbacks and Refunds ...	41	85
Public Works (Recurrent) ...	1,358	1,416
Total Ordinary Expenditure	£17,650	£20,871
Public Works (Extraordinary)	4,810	11,655
Stock Ordinance	847	981
Total General Expenditure...	£23,407	£33,508

The ordinary expenditure for the year ended 31st December, 1912, amounted to £20,871, which was less than the ordinary revenue by £1,283, and £3,221 more than the ordinary expenditure for 1911.

3. *Total Revenue and Expenditure for Five Years* 1908 *to* 1912.

Years.	Revenue. Heads.	£	Total. £	Expenditure. Heads.	£	Total. £
1908	Ordinary ...	17,775		Ordinary ...	15,695	
	Land Sales ...	5,292		Extraordinary...	4,082	
	Stock Ordinance	807		Stock Ordinance	602	
			23,874			20,369
1909	Ordinary ...	17,609		Ordinary ...	16,386	
	Land Sales ...	8,993		Extraordinary...	2,824	
	Stock Ordinance	807		Stock Ordinance	703	
			27,409			19,913
1910	Ordinary ...	18,535		Ordinary ...	16,034	
	Land Sales ...	7,238		Extraordinary...	1,371	
	Stock Ordinance	807		Stock Ordinance	795	
			26,580			18,200
1911	Ordinary ...	24,207		Ordinary ...	17,650	
	Land Sales ...	11,132		Extraordinary...	4,810	
	Stock Ordinance	807		Stock Ordinance	947	
			36,146			23,407
1912	Ordinary ...	22,155		Ordinary ...	20,872	
	Land Sales ...	11,075		Extraordinary...	11,655	
	Stock Ordinance	807		Stock Ordinance	981	
			34,037			33,508
	Total		148,046	Total		115,397

The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £2,716, representing a total surplus during that period of £13,579.

4. The receipts in respect of Import Duties on wine, malt, spirits, and tobacco amounted to £2,427, or £2,100 less than in 1911, or £1,354 less than the average for the last five years.

Article.	1908.	1909.	1910.	1911.	1912.	Average.
	£	£	£	£	£	£
Wine	90	95	111	170	109	115
Malt	489	227	478	250	108	310
Spirits	1,847	1,746	1,868	1,856	1,507	1,765
Tobacco	1,788	1,349	1,863	2,251	703	1,591
Totals	4,214	3,417	4,320	4,527	2,427	3,781

5. There were no important changes in taxation during the year under review.

Assets and Liabilities.

6. At the closing of the accounts on the 31st December, 1912, the assets and liabilities of the Colony were as follows:—

	£
Assets	177,138
Liabilities	85,429
Excess of assets...	£91,709

The following statement shows the surplus of assets at the closing of accounts for the last five years:—

Account.	1908.	1909.	1910.	1911.	1912.
	£	£	£	£	£
Surplus revenue	1,728	127	1,256	3,003	—
Land sales fund	59,091	68,085	75,323	86,455	97,530
Live stock fund	1,748	1,852	1,863	1,723	1,548
Totals	62,567	70,064	78,442	91,181	99,078
Deficiency in Ordinary Revenue, 1912					£7,370

7. The following statement shows the amount invested by the various funds in the purchase of stocks at the closing of the accounts for the last five years (cost price):—

Fund.	1908.	1909.	1910.	1911.	1912.
	£	£	£	£	£
Land sales	58,997	98,493	75,323	85,315	96,837
Savings bank... ...	55,919	60,516	66,516	66,516	69,016
Intestate estates ...	1,444	395	409	422	—
Currency note ...	3,300	3,300	3,500	3,750	3,750
Currency depreciation	217	257	299	345	388
Surplus account ...	7,300	—	3,500	3,500	—
Total	127,177	132,961	149,547	159,848	169,991

8. The assumed market value of investments held on the 31st December, 1912, was as follows:—

Fund.	Market Value. £
Land Sales	94,580
Savings Bank	61,564
Intestate Estates	—
Currency Note	3,409
Currency Depreciation	363
Surplus Account	—
Total	£156,916

CURRENCY.

9. British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency is established under Order of Her late Majesty in Council of the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for 1910.*

The denomination, number, and value of the notes in circulation at the end of the year 1912 were as follows:—

Denomination. £ s.	Number.	Value. £
5 0	603 ...	3,015
1 0	4,372 ...	4,372
0 5	452 ...	113
Total ...	5,507 ...	£7,500

II.—TRADE AND INDUSTRIES.

10.—The value of the imports was £93,264 and that of the exports £623,875, as against £93,913 and £471,156, respectively, in 1911. The following gives the details of the imports:—

Class.	1911. £	1912. £
1. Live Animals, Foods, Drinks, and Narcotics:—		
Aerated waters	216	369
Drugs	2,108	1,801
Fodder, corn and hay	1,704	1,215
Fruit and vegetables	1,008	1,061
Groceries, &c.	19,121	20,601
Live stock	2,052	2,339
Malt liquor	1,197	651
Spirits	1,693	1,316
Tobacco, cigars, &c.	1,534	691
Wine	829	574
Totals	£31,461	£30,608

* Colonial Report (Annual) No. 682 (Cd. 5467—18).

Class.	1911. £	1912. £
2. Raw Materials:—		
(*a*) Textile	—	—
(*b*) Metals and Minerals:—		
Coal	3,798	4,003
Other	4,789	2,657
(*c*) Other:—		
Timber	8,483	10,244
Totals	£17,070	£16,904
3. Manufactured Articles:—		
(*a*) Textile	1,529	1,463
Ships' chandlery	4,014	3,404
Haberdashery	8,225	9,071
Wearing apparel, &c.	9,056	10,706
Totals	£22,824	£24,644
(*b*) Metals and Minerals:—		
Hardware, &c.	£13,081	£11,866
(*c*) Other:—		
Furniture	2,023	2,896
Glass and earthenware	444	462
Timber and building material ...	4,010	3,667
Totals	£19,558	£18,891
Total of Manufactured Articles	£59,452	£43,752
4. Coin and Bullion	£3,000	£2,000
Grand totals	£93,913	£93,264

The following figures give the value of the imports of the years 1911 and 1912, arranged according to the country of origin:—

Country.	1911. £	1912. £
United Kingdom	86,597	82,453
British Colonies	—	36
Argentina	136	97
Chile	4,953	5,442
Uruguay	1,550	1,643
Other Countries	677	3,593
Totals	£93,913	£93,264

11. The following figures give the value of the exports for the years 1911 and 1912:—

Country.	1911. £	1912. £
United Kingdom	311,750	378,843
British Colonies	—	—
Argentina	—	—
Chile	33,123	34,194
Norway	126,283	177,765
Other Countries	—	33,073
Totals	£471,156	£623,875

The following gives detail of the exports* :—

Article.	1911.		1912.	
	Lbs.	£	Lbs.	£
Wool	4,643,781	150,134	4,650,771	134,680
Tallow	551,140	8,830	362,880	3,901
	No.		No.	
Live sheep	—	—	5,658	1,313
Sheepskins	123,642	16,553	73,158	10,826
Hides	1,027	931	871	746
Sealskins...	960	3,732	3,109	7,982
	Tons.		Tons.	
Whale oil	13,174	270,762	26,372	439,498
Whalebone	209	15,080	408	13,380
Whale plates	26	1,500	—	—
			Bags.	
Guano†	—	—	5,623	3,030
	Cases.		Cases.	
Tinned meat	1,335	1,335	6,963	6,745
Extract of meat...	—	—	61	702
Miscellaneous	—	—	—	1,072

The following gives the total imports and exports for the five years 1908 to 1912:—

	Imports. £	Exports. £
1908	73,062 ...	189,972
1909	98,862 ...	216,514
1910	94,294 ...	308,930
1911	93,913 ...	471,156
1912	93,264 ...	623,875
	£453,395	£1,810,447

Fisheries.

12. The following statement shows the result of the whaling industry for the 1911-12 season:—

* Does not include whale oil, guano, and baleen valued at £433,425 exported from South Georgia in 1911–12 to United Kingdom and Norway.

† Produced from whale carcases.

Place.	Oil.		Baleen.		Guano.		Total.
	Barrels.	Value.	Tons.	Value.	Bags.	Value.	
		£		£		£	£
Falkland Islands ...	2,444	7,332	—	—	—	—	7,332
South Georgia ...	172,318	407,403	81	11,150	30,270	14,872	433,425
South Shetlands and Graham's Land.	145,770	413,622	383	13,360	—	—	426,982
South Orkneys ...	7,000	18,656	20	400	—	—	19,056
Totals	327,532	886,795	484	24,910	30,270	14,872	886,795

As the whaling season is from 1st October to 30th September, it is not possible to show with accuracy the quantity and value of whale oil, &c., taken to 31st December.

Pastoral Industry.

13. The Report by the Chief Inspector of Stock for the year 1912 is printed as an appendix.

The prohibition against the importation of cattle, sheep, and alfalfa (hay) from South America was maintained.

14. The amount to the credit of the Stock Fund on the 31st December, 1912, was £1,548, as compared with £1,723 in 1911. The Land Tax produced £806, the expenditure was £981. £451 was expended on diminishing the number of upland geese in the Colony under Ordinance No. 3 of 1905, which expired at the end of 1912.

15. The following gives the number of sheep in the Colony for the last five years:—

1908	...	...	...	688,705
1909	...	...	...	715,651
1910	...	...	...	724,736
1911	...	...	...	706,170
1912	...	...	...	711,367

Of these, 46,287 were canned or boiled down and 13,137 slaughtered for consumption in the Colony; a total of 59,424 killed in 1912, as against 76,315 killed in 1911.

The two canning factories are capable of dealing respectively with 600 and 300 sheep daily. They began work in 1910, employ 100 men, and produced, in 1912, 6,936 cases valued at £6,745. 61 cases of extract of meat, valued at £702, were also exported.

Shipping.

16. The number of sailing vessels that entered inwards was 12, with a tonnage of 10,824, a decrease of 2,116 in tonnage and 2 in number as compared with last year. 33·3 per cent. of the number and 57·7 per cent. of the tonnage was British, as against 64·3 per cent. and 46·7 per cent., respectively, in 1911.

17. The number of steamers entered was 88, with a tonnage of 186,979, an increase of 24 in number and an increase of 45,050 in tonnage. 44·3 per cent. of the number, and 76 per cent. of the tonnage, was British, as against 59·3 per cent. and 85·7, respectively, in 1911.

18. The following is a summary of the total shipping for the last five years:—

Vessels Entered.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1908	38	139,796	8	7,951	8	1,759	9	6,105
1909	44	144,024	4	7,202	12	5,652	9	3,625
1910	37	135,505	5	10,089	21	13,616	9	9,010
1911	38	121,711	9	6,036	26	20,218	5	6,904
1912	39	142,144	4	6,251	49	44,835	8	4,573

Vessels Cleared.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1908	36	137,978	4	2,345	8	1,759	7	7,950
1909	37	140,951	3	5,517	5	1,058	7	3,397
1910	37	135,505	4	7,972	8	6,124	8	7,762
1911	37	136,838	7	4,892	8	15,030	3	3,651
1912	41	144,382	3	6,190	20	23,384	7	4,237

19. Stanley is a port of registry, and at the close of the year there were six vessels on the register, with a total tonnage of 465 tons.

Shipping Casualties.

20. The "Criccieth Castle," a sailing ship of 1,877 tons register, owned by the Ship Criccieth Castle Company, Limited, under the command of Captain Robert Thomas, bound to Antwerp, and laden with 2,850 tons of guano, had to be abandoned on the 15th July in the South Atlantic, 54 S. and 61 W., about 110 miles from the Falkland Islands, owing to having been struck by a tremendous sea which broke the rudder shaft. After the accident, the ship leaked badly at the stern post, the pumps when tried were found to be choked and would not work. The master, his wife and child, and fourteen hands took to the lifeboat, while the remainder of the crew embarked in the long boat, which was in charge of the mate. The two boats kept together for some hours; the long boat was then lost and never seen again. The lifeboat made for the Falklands and reached Cape Pembroke Lighthouse after seven days and nights of the most

terrible exposure, during which three of the crew succumbed. The survivors, who were all badly frost-bitten, were brought to Stanley the same evening and accommodated in the Victoria Cottage Home, where two subsequently died.

The R.M.S. "Oravia," of the Pacific Steam Navigation Company, ran ashore on the night of the 12th November on the Billy Rock, near Cape Pembroke Lighthouse, about eight miles from Stanley. News of the accident was at once reported through the newly-erected wireless station, and the Government launch, the local tug, and certain steam whalers which happened to be in port were despatched immediately to the stranded vessel and were successful in removing all the passengers and all the letter mails, as well as the parcel post packages consigned to the Colony. On the following afternoon it was found necessary to abandon the ship, and the commander and the whole of the ship's company were brought safely to Stanley. The small township of 900 inhabitants rose to the occasion and provided accommodation and food for 412 unexpected visitors. A wireless message sent to the S.S. "Huanchaco" caused her to call at Stanley on the 18th, and most of the third-class passengers proceeded by her to Punta Arenas.

Two other vessels, the British sailing ships, "Marco Polo" and "Wiscombe Parke," put into Port Stanley for repairs.

III.—LEGISLATION.

21. Eleven Ordinances were passed, of which the following were of most interest:—

Ordinance No. 1.—Amending the Tariff Ordinance, 1900, levying an export tax of three pence per barrel of 40 gallons on whale oil.

Ordinance No. 5.—To amend the Whale Fishery Ordinance, 1908, as to granting of licences to use floating factories, &c.

Ordinance No. 7.—To amend the Licensing Ordinance, 1882: To prevent persons against whom a prohibition has been made or renewed from procuring drink, &c.

IV.—EDUCATION.

22. The Government Inspector of Schools (The Very Reverend Dean Seymour) reports as follows on the progress of education in the Colony during the year 1912:—

"The year's work in the Government School may be reported on as being highly satisfactory.

"The number of scholars on the roll is the same as last year, while the average attendances, allowing for the climatic conditions, are good. The subjects on the syllabus are in accordance with those taught in the public elementary schools in Great Britain, and it is found that when children leave this

Colony for home they can take their places without difficulty in their own standards. Quarterly examinations are regularly held by the Government Schoolmaster, and the general progress noted testifies to the careful and conscientious work of the teachers. The same care is taken as in former years with the sewing, and the work turned out by the girls would bear comparison with any other school.

"The infant classes are very good, and the children are given varied occupations.

"During the year a covered play-shed was built for the children, affording protection and a place for amusement during the times of recreation. This is an important and welcome addition to the premises. The children of the 'Camps' are still being taught by itinerant schoolmasters. In most cases I am happy to report that the schoolmasters receive the hearty co-operation of the parents, and the children therefore make good progress; it has, however, been necessary more than once to remind parents of the need to properly supervise the home lessons during the periods between the teacher's visits.

"The 'Camps' will suffer a loss through the resignations of two of these schoolmasters, both of whom have completed their periods of engagement. Mr. Moyes and Mr. Barlass were both excellent and popular teachers.

"The Falkland Islands Company employ a resident schoolmaster at Darwin and two itinerant schoolmasters in their 'camp.'"

23. The number of children being educated in the Colony during the year was 426, as against 435 for 1911, and they are classified as follows:—

—	Boys.		Girls.		Totals.	
	1911.	1912.	1911.	1912.	1911.	1912.
Government school, Stanley ...	88	92	77	73	165	165
Roman Catholic, Stanley	39	36	60	54	99	90
Taught privately, West Falkland ...	4	5	—	7	4	12
Three Government Schoolmasters, West Falkland.	26	26	25	27	51	53
Taught privately, East Falkland ...	4	5	7	1	11	6
Two Government Schoolmasters, East Falkland.	25	24	32	21	57	45
Falkland Islands Company's "Camps."	2	5	4	5	6	10
Two Camp Schoolmasters	23	22	19	20	42	42
Other :—						
Taught privately	—	1	—	2	—	3
Totals...	211	216	224	210	435	426

V.—GOVERNMENT INSTITUTIONS.

Victoria Cottage Home.

24. The Acting Colonial Surgeon reports that the Cottage Home has been of great service. Thirty-five patients were admitted during the year, several of them from ships in the harbour and eleven of the wrecked crew of the "Criccieth Castle." The district nurse atttended 57 cases and paid 965 visits.

Savings Bank.

25. During the year ended 30th September, 1912, 67 accounts were opened and 44 closed, leaving a total number of 494 depositors with balances amounting in the aggregate to £70,574, or an average of £142 to the credit of each account. This represents £31 per head of the population of the Falklands (2,272).

The income earned by the bank was £2,341, and the expenses (interest on deposits) £1,591, leaving a profit of £750.

VI.—JUDICIAL.

26. The following table summarises the criminal statistics for the years 1908 to 1912:—

—	1908.	1909.	1910.	1911.	1912.
Number of offences reported to the police	44	59	91	59	67
Number of summary convictions:—					
1. For offences against the person ...	4	10	8	4	5
2. For offences against property ...	2	9	3	1	2
3. For other offences	29	23	70	54	33
Number of Supreme Court convictions:—					
1. For offences against the person ...	—	—	—	1	1
2. For offences against property ...	—	2	—	—	—
3. For other offences	—	—	—	—	1
Number of acquittals:—					
1. Inferior Court	9	13	10	4	27
2. Supreme Court...	—	2	2	1	2

VII.—VITAL STATISTICS.

27. The Report on the Census of the Colony and its Dependencies was published as a supplement to the "Gazette" of 1st March, 1912. The total population of the islands, including South Georgia (1,003), was found to be 3,275; in the year 1881 it was 1,553. The increase is largely due to the whaling industry, which employs 1,149 males out of a total of 2,370, and accounts for the small proportion of females in the Colony, who numbered

only 905. This industry also explains the presence of 1,093 foreigners, mostly natives of Sweden and Norway.

28. The estimated population on 31st December, 1912, was 3,298. There were 53 births and 38 deaths during the year. Birth-rate per 1,000, 16·07; death-rate, 11·52.

Health.

The following particulars are obtained from the Report of H. M. Stanley Turner, Esq., M.R.C.S., L.R.C.P., Assistant Colonial Surgeon, West Falkland. The Medical Report for East Falkland is incomplete and has not been published.

Meteorological Conditions.—It would be unwise at present to make an *ex cathedrâ* statement respecting the precise nature of the influence exerted by the meteorological conditions.

Systematic observations were only commenced in 1912, and several years' accumulated data are required before the influences drawn therefrom can be of value. The following factors are, however, readily observed:—

1. Marked fall of the barometer appears to be closely followed by a rise in illness.
2. The barometer maintained the highest mean level during the second and third quarters of the year, and during these quarters the sickness incidence was practically nil.
3. Baromic oscillation was followed by a greater rise in sickness in the two summer than in the two winter quarters.

Remarks on the Nosological Returns.—Certain features are worthy of notice, viz.:—

1. Entire absence of all forms of tuberculosis.
2. ,, ,, ,, malignant disease (cancer).
3. ,, ,, ,, rheumatic fever and its sequelæ.
4. ,, ,, ,, infectious disease.
5. The prevalence of disorders of the digestive apparatus.

The freedom from serious disease has been frequently mentioned in previous reports and, though the same is true of the year 1912, there has been a larger number of cases under treatment, among which accidents have occupied a prominent place.

Affections of the digestive system, always well to the fore, reach a total of 67, of which number the dental apparatus is responsible for no fewer than 50. These figures by no means represent the total number of sufferers, and I venture the suggestion, unsupported by statistics, that few communities probably exhibit more widespread oral sepsis.

In West Falkland joint changes are seen with considerable frequency in comparatively young subjects, nearly every case being associated with oral sepsis. The joints principally affected are those of the fingers.

Boils (furunculosis) still exist in West Falkland, though on the whole they are less prevalent. Many of these cases recover without calling in medical help.

General Sanitary Conditions of the District.

Dwellings.—In the majority of cases inhabited houses are well built, give quite adequate accommodation, and are maintained in repair. A few notable exceptions, however, are badly kept or so small as to readily give rise to overcrowding, especially at certain times of the year.

A list has been compiled of houses where "nuisances" exist within the meaning of the Public Health Ordinance, and notices will be served to secure their abatement.

It is recommended that a fit and proper person be appointed as inspector of inhabited dwellings, and that he make a periodic round and report to the Board of Health. Such duties could be performed by an existing official.

Water.—Close attention has been paid to the water used for drinking purposes, and a number of specimens have been subjected to chemical and bacteriological examination. The results show that more of these waters are polluted than might be supposed.

Food.—Little can be added to what has been said in previous reports on this subject, but attention must once more be called to the fact that animals intended for consumption as food must not be slaughtered after having been driven from a distance without a period of rest being allowed to intervene. Meat-houses should be fly-tight and it may be pointed out that if a carcass be "quartered" directly it is cold, all kidney fat removed, and then hung up in a stream of air, there is far less likelihood of its becoming "fly-blown." Fly-blown meat should never be eaten under any circumstances, and a carcass so affected ought to be destroyed. It is a filthy and dangerous practice to cut off the affected part and then eat the part adjoining.

Vaccinations.—During the year five vaccinations have been performed. The condition of the population, as far as the protection from small-pox afforded by vaccination is concerned, is, in my opinion, doubtful. There are at present not more than five unvaccinated infants, but it is not possible to say with accuracy whether there are any unvaccinated adults, or, if so, how many. The immunity of native-born inhabitants with regard to small-pox, as to other infectious diseases, is in many respects an unknown quantity, on account of the personal equation.

Re-vaccination is rarely sought voluntarily and, as a matter of opinion, I should say that immunity, at any rate among adults, is low in degree.

Rainfall.

The total rainfall registered at Stanley during 1912 was 24·89 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records taken at Government House:—

Month.	Rainfall in Inches.	Date of Maximum in inches.	Number of days on which rain fell.
January	1·99	·63 8th	14
February	4·28	·43 1st	26
March	2·69	·56 25th	21
April	2·14	·59 29th	19
May	1·52	·20 19th	17
June...	1·29	·26 29th	16
July...	·91	·11 7th & 27th	17
August	1·65	·43 11th	18
September	·99	·29 8th	13
October	1·33	·36 16th	8
November	2·62	·37 25th	26
December	3·48	·54 5th	22
Total	24·89	—	217

The following is a summary of meteorological observations taken at King Edward Cove, South Georgia, during 1912, and kindly supplied by the Argentine Government Station:—

Latitude 54° 18′ south. Longitude 36° 27′ west.

Month.	Total rainfall.	Number of days on which rain fell.	Prevailing Wind.	Number of calm days.
January	2·500	20	N. & N.E.	11
February	7·913	20	N.	7
March	5·537	26	N.W.	10
April	4·348	21	N.	4
May	6·443	23	N.W.	Nil
June	1·296	9	N.W.	3
July	2·741	10	N.E. & N.W.	2
August	3·781	12	N.W.	4
September	2·614	5	N.N.W.	4
October	2·554	8	N.W.	2
November	6·161	15	N.W.	1
December	5·629	20	N.W.	—
Totals	51·517	189	—	48

VIII.—POSTAL SERVICE, &c.

The revenue of the Post Office was £3,369, or £1,879 more than in 1911. The expenditure, including a subsidy of £2,500 for the conveyance of mails beyond the Colony, was £4,140, as against £3,776 in 1911.

The Pacific Steam Navigation Company's steamers call at Stanley on their voyage out to Callao, and on their return voyage

a fortnight later, thus making a four-weekly communication by letter with England.

The Falkland Islands are within the Postal Union as to rates of postage.

The value of the money orders issued during the last five years is shown below:—

Year.	On the United Kingdom.	On other Places.	Total.
	£	£	£
1908	8,308	264	8,572
1909	8,485	217	8,702
1910	8,850	281	9,131
1911	8,879	650	9,529
1912	9,793	367	10,160

The total numbers of postal packets (letters, &c.) dealt with during the last five years were as follows:—

Year.	Number.
1908	109,660
1909	132,223
1910	147,790
1911	153,436
1912	169,278

The following statement shows in detail the number of postal packets dealt with in 1912:—

Description of Packet.	Delivered from			Posted to			Grand Total.
	United Kingdom.	Other Places.	Total.	United Kingdom.	Other Places.	Total.	
Letters and post cards.	43,018	16,447	59,465	23,144	9,927	33,071	92,536
Newspapers, books, &c.	66,425	2,523	68,948	1,465	543	2,008	70,956
Parcels ...	5,356	—	5,356	416	14	430	5,786
Totals 1912	114,799	18,970	133,769	25,025	10,484	35,509	169,278
„ 1911	99,809	10,715	110,524	28,574	14,338	42,912	153,436

The value of goods imported by parcel post during the five years ended 31st December, 1912, was as follows:—

Year.	Value.
	£
1908	6,086
1909	6,294
1910	7,052
1911	7,823
1912	8,172

Mails between South Georgia and Europe travel viâ Buenos Aires. The distance between the latter port and South Georgia is about 1,500 miles, and occupies seven to eight days.

IX.—NAVAL AND MILITARY.

Owing to the inclemency of the weather the annual encampment of the volunteer force could not be held.

H.M.S. "Glasgow" made a short stay in Port Stanley from the 19th February to the 7th March. The volunteers were inspected on the 29th February at a field day on Navy Point; the blue jackets and marines were the attacking force, and Captain Marcus R. Hill acted as chief umpire. After the "cease fire" was sounded both forces were formed up in Fairy Cove where they were addressed by the chief umpire, who spoke in very complimentary terms on the manner in which the work had been carried out by both forces.

X.—PUBLIC WORKS.

The chief undertakings of the year were, the erection of the wireless installation; the construction of the new telephone system; the building of the King Edward Memorial Hospital; and the laying of the Town Hall foundations (to receive plinth).

The wireless installation was supplied by the Marconi Wireless Telegraph Company, Limited, London, and consists of a 5 K.W. set, with low frequency alternator and rotary spark discharger: the prime mover being a 15 B.H.P. oil engine. The two masts measure 220 feet each. The aerial is of the twin "T" type, having six wires on either side. The station is situated on the top of a ridge at the east end of the Murray Heights, about two miles from Stanley. The installation was commenced in March and finished in August. The winter months interfered with the progress of the work. On the 27th March the Governor laid the west mast foundation plate and the station was formally opened by His Excellency on the night of September 24th. Regular communication, atmospheric conditions permitting, was maintained, and the station proved invaluable on the occasion of the wreck of the Pacific Steam Navigation Company's s.s. "Oravia." Commodious quarters were likewise erected for the operators.

The new telephone system, consisting of a 30 line board with metallic returns, was installed in Stanley. New poles, insulators, wire, and several new wall sets were provided. A small exchange with silent cabinet was also erected.

The King Edward Memorial Hospital was commenced in February and the entire structure was completed by the end of October. The hot-water system would have been introduced

but the material was lost in the s.s. "Oravia." The east section of the hospital will form the new Victoria Cottage Home.

The stone foundations for the Town Hall were taken down to sound clay bottom and vary in depth from 18 to 30 inches, with a width of 24 inches. All stone had to be carted to site, and large quantities had to be quarried.

Minor works included the erection of a new playhouse at the Government School, engineer's fitting shop, &c.

J. WATT,

For Colonial Secretary.

CHIEF STOCK INSPECTOR'S ANNUAL REPORT FOR 1912.

Stock Department,
Stanley, 5th April, 1913.

SIR,

I HAVE the honour to submit herewith my Annual Report for the year ended 31st December, 1912.

SHEEP.

The year from the stock-owner's point of view has been most satisfactory and prosperous, and the health and condition of stock generally was good. More wool was produced than during 1911, and the price of all exports from the farms continued high. On most stations the lambing was not so good as last year. The lambing percentage for all stations of the Colony was 67 per cent., while in 1911 it was slightly over 72 per cent. In each case the percentage has been made on the dipping tally, 7 per cent. being allowed for loss between lamb marking and that period. The lambs were of a very even type in most localities and it is evident that the quality and stamina are improving each year.

2. Careful attention is being paid to the selection of rams and culling is deeper, with the result that on a great many stations the flocks present a very good appearance; the sheep are young, well framed and healthy, truer to their breed and clip well over eight pounds per fleece. There are some farms, however, content to breed year after year from old sheep carrying neither flesh nor wool, with the result that their increase is low, clip light, and death-rate high.

3. Scrofula is much less in evidence than heretofore; this is due to the fact that all affected sheep are slaughtered, which is undoubtedly the most satisfactory manner of stamping out the disease. There are a few stations on the East Falkland still troubled with lice and some discontent exists among the farmers with regard to their boundary fences, which in many places are certainly not sheep-proof. Farmers to whom this might apply should refer to the Live Stock Ordinance, No. 1 of 1907, section 5, which provides a heavy penalty for persons allowing infected sheep to stray. If some farmers considered to what extent the health of their flocks was improved by keeping them free from external parasites they would be more careful over their dipping, gathering, and fences. Farms troubled with lice would be well advised to dip with one of the many well-known arsenical dips, in preference to the non-poisonous preparations, which, for this parasite, are often not to be depended upon. It is satisfactory to see the trouble which some farmers are taking to rid their young stock of ticks by dipping their lambs twice. This practice is becoming more common yearly and cannot be too strongly recommended.

4. There was an abundance of grass in the early autumn, with more seed than had been seen for years. At this period the stock looked particularly well.

5. The death-rate was slightly less than in the previous year, being 10·42 per cent. as compared with 10·86 per cent. in 1911. It is gratifying to note that at one station, where the mortality from malignant œdema after lamb marking used to be excessive, the death-rate was reduced about 40 per cent. The rate of mortality throughout the Colony varies considerably; on some stations it is as low as 5 per cent., while on others it is three times as high. I am satisfied that by judicious ditching, draining, and shepherding, the rate of mortality, which is at present about one-sixth of the total increase, could be considerably diminished.

6. The demand for sheep of good weight is steadily increasing, both for the canneries in the Colony and for export. I venture to predict that, in a year or two, sheep will be almost double their present value.

7. Owing to numerous outbreaks of foot and mouth disease in Great Britain and Ireland it was found necessary, in order to safeguard the Colony against infection, to prohibit the importation of stock from those countries. The embargo on cattle, sheep, and hay from South American ports is still maintained. During 1912 one farmer imported three rams contrary to the Regulations. A fine was imposed and the stock were slaughtered.

8. As will be seen from the Comparative Table attached, the import of rams decreased slightly in 1912, owing to the prohibition already mentioned, but the number of sheep exported exceeded that of the previous year by 3,000. More stud stock would certainly have been introduced had the Colonial ports been open to shipment from England. Sixteen Romney Marsh rams were salved from the wreck of the "Oravia," but of 11 consigned to this Colony seven were unfortunately drowned. A number of those saved were in a very low state of health when landed.

Horses.

9. Horses have been very free from illness of a serious nature. The disease associated with a swelling of the head between the eyes, which is caused by a minute organism found in swamps and stagnant ditches, is becoming less in evidence every year. Many of these cases in which the swelling appears low on the forehead recover naturally if the animal is rested and put on good pasture; on the other hand, when the head is affected above the level of the eyes, which is less often the case, death frequently results from inflammation of the brain.

10. There is a good demand for useful horses, especially for animals suitable for cart work. The foaling percentage was 66 per cent., or 10 per cent. higher than in the previous year. The quality of some of the stallions imported during the last few years leaves much to be desired, and the Falklands breed will not thereby be materially benefited. The number of horses in the Colony shows an increase of 111 over that of 1911.

Cattle.

11. The number of cattle has been reduced by 323. Several samples of milk taken from cows suffering from mastitis were examined microscopically, but in only a small percentage of cases was there any trace of the tubercle bacillus to be found. Arrangements have been made to apply the tuberculin test to 40 or 50 cows on the East Falkland, the result of which will be published hereafter.

Cultivation.

12. Last year, probably for the first time, hay grown in the Falklands was sold in Stanley, and there is every prospect that in the near future enough will be ground to supply the needs of the Colony. This is in many ways very desirable. The price to the buyer will probably be less,

while the quality will be equal to that imported, and the risk of introducing disease in hay from infected countries will thereby be considerably reduced. Many farmers are now growing hay on a small scale, but in a few cases the cutting of it has been left too long so that much of the nutriment is lost.

Canning.

13. This new enterprise has proved to be quite a success. The prices obtained for canned goods were higher than in 1911, and the meat found a ready and satisfactory market in Great Britain. The report from the buyers was very favourable, and it is hoped that this new industry, which should be welcomed by stock owners, will be supported by them and continue to advance in the right direction.

Geese.

14. The Ordinance providing for the diminution of Geese terminated at the close of the year. During the five years that this Ordinance has been in force approximately 500,000 geese beaks have been paid for at the rate of ten shillings per hundred.

The purchase of the beaks of turkey buzzards, carranchos, and rooks is still being continued.

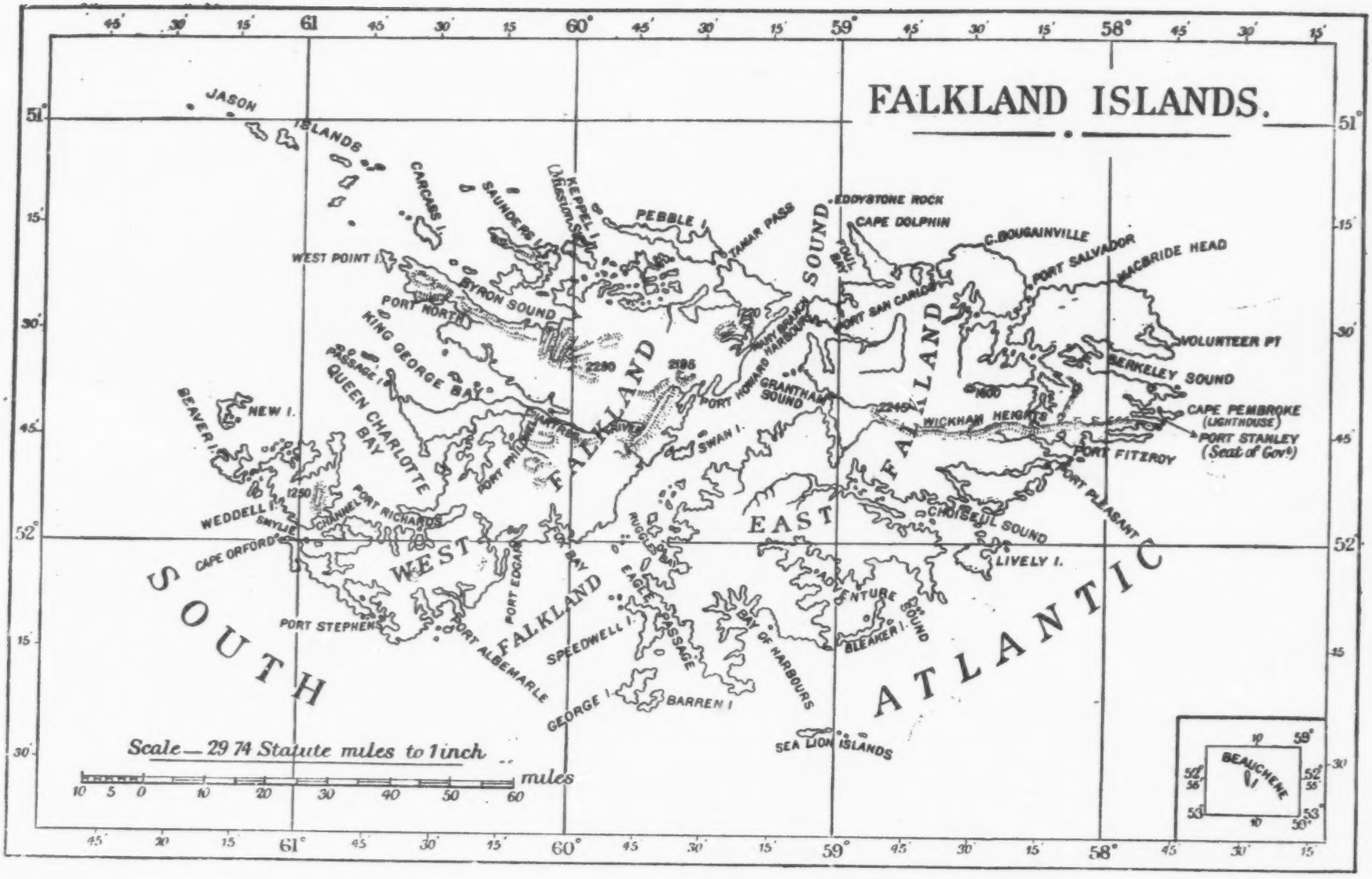
I have, &c.,

H. W. Townson, M.R.C.V.S., Lond.,
Chief Inspector of Stock.

Stock and Produce Return.

Comparative Table.

	1912.	1911.
Rams	9,130	9,284
Wethers	215,463	200,749
Breeding Ewes	267,065	259,440
Other Ewes	63,254	63,005
Lambs, Male	72,440	73,653
Lambs, Female	84,015	85,275
Total number, Lambs	156,455	158,928
Total number, Sheep	711,367	706,170
Boiled down	18,591	42,924
Canned	27,696	22,410
Sold	13,137	8,895
Horses and Mares	2,996	2,846
Brood Mares	389	438
Foals	257	245
Stallions	23	25
Total number, Horses	3,665	3,554
Cattle	7,529	7,859
Imports.		
Horses	155	213
Rams	19	27
Exports.		
Sheep	3,450	255
Wool ... ... Bales.	8,517	8,169
Skins ... ... Bales.	1,556	1,278
Tallow ... ... Casks	861	907


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I.
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
PORT SALVADOR
MACBRIDE HEAD
WEST POINT I.
BYRON SOUND
PORT NORTH
PORT SAN CARLOS
VOLUNTEER PT
BERKELEY SOUND
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
PORT HOWARD
GRANTHAM SOUND
WICKHAM HEIGHTS
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
PORT FITZROY
SWAN I.
WEDDELL I.
PORT RICHARDS
CHANNEL
SMYLIE
CAPE ORFORD
CHOISEUL SOUND
PORT PLEASANT
LIVELY I.
PORT EDGAR
FOX BAY
EAGLE PASSAGE
ADVENTURE SOUND
BLEAKER I.
PORT STEPHENS
PORT ALBEMARLE
SPEEDWELL I.
GEORGE I.
BARREN I.
BAY OF HARBOURS
SEA LION ISLANDS
SOUTH
WEST
FALKLAND
EAST
FALKLAND
ATLANTIC
Scale — 29·74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
BEAUCHENE I.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
734	Gilbert and Ellice Islands...	1910
735	Southern Nigeria	1911
736	Somaliland	1911–1912
737	Imperial Institute	1911
738	Northern Nigeria	"
739	Jamaica	1911–1912
740	Swaziland	"
741	Bahamas	"
742	Grenada	1911
743	Uganda	1911–1912
744	Mauritius	1911
745	Trinidad and Tobago	1911–1912
746	British Guiana	"
747	St. Vincent	"
748	Barbados	"
749	Leeward Islands	"
750	Straits Settlements	1911
751	East Africa Protectorate	1911–1912
752	St. Lucia	"
753	Gilbert and Ellice Islands	1911
754	Cayman Islands (Jamaica)	1911–1912
755	Gibraltar	1912
756	St. Helena	"
757	Weihaiwei	"
758	Ceylon	1911–1912
759	Sierra Leone	1912
760	Seychelles	"
761	Somaliland	"
762	Hong Kong...	1912–1913
763	Turks and Caicos Islands	1912

MISCELLANEOUS.

No.	Colony, &c.	Subject
74	Ceylon	Mineral Surveys, 1906–7 and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Surveys, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments.

No. 817.

FALKLAND ISLANDS.

REPORT FOR 1913.

(For Report for 1912, see No. 764.)

Presented to both Houses of Parliament by Command of His Majesty.
October, 1914.

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CONTENTS.

	Page
I.—Financial	4
II.—Trade and Industries	8
III.—Legislation	12
IV.—Education	12
V.—Government Institutions	13
VI.—Judicial	14
VII.—Vital Statistics	14
VIII.—Postal Service, &c.	16
IX.—Falkland Islands Volunteers	16
X.—Public Works	17
Report of the Chief Inspector of Stock	17
Map.	

No. 817.

FALKLAND ISLANDS.

(For Report for 1912, see No. 764.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
5th September, 1914.

SIR,

I have the honour to transmit herewith the report on the Blue Book of this Colony for the year 1913, which has been prepared by Mr. W. J. Roper, Chief Clerk to the Colonial Secretary.

I have, &c.,
W. L. ALLARDYCE,
Governor.

The Right Honourable
Lewis Harcourt, P.C.,
&c., &c., &c.,
Secretary of State for the Colonies,
Downing Street, S.W.

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REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS

FOR THE YEAR 1913.

I.—FINANCIAL.

General Revenue and Expenditure.

1. The following comparative statements show the heads of revenue and expenditure, with the amounts received and expended under each head for the years ended 31st December, 1912, and 31st December, 1913 :—

Comparative Statement of Revenue.

Heads.	1912.	1913.
	£	£
Customs, &c.	3,580	13,050
Port and Tonnage Dues ..	515	856
Internal Revenue	4,549	4,541
Fees of Court, &c.	1,323	1,586
Interest	5,931	6,195
Post Office	3,368	2,692
Rents	2,633	3,229
Miscellaneous Receipts ..	525	136
Total Ordinary Revenue ..	£22,154	£32,285
Land Sales	11,074	9,822
Stock Ordinance	806	822
Total General Revenue ..	£34,036	£42,929

The ordinary revenue for the year ended 31st December, 1913, amounted to £32,285, being £10,131 more than in 1912.

2. Comparative statement of expenditure :—

Heads.	1912.	1913.
	£	£
Pensions	803	707
The Governor	1,898	1,540
Colonial Secretary	1,081	1,077
Treasury and Customs ..	1,262	1,633
Audit	24	23
Port and Marine	85	572
Legal	475	395
Police and Prisons	636	635
Medical	1,460	1,512
Education	989	955
Ecclesiastical	167	270
Transport	832	578
Miscellaneous	1,286	1,018
Post Office	4,139	3,776
Colonial Engineer	2,491	2,069
Savings Bank	1,692	1,680
Currency Note Fund ..	42	9
Drawbacks and Refunds ..	85	310
Public Works (Recurrent) ..	1,416	1,887
Total Ordinary Expenditure	£20,871	£20,646
Public Works (Extra-ordinary	11,655	3,965
Stock Ordinance	981	627
Total General Expenditure .	£33,507	£25,238

The ordinary expenditure for the year ended 31st December, 1913, amounted to £20,646, which was less than the ordinary revenue by £11,639, and £225 less than the ordinary expenditure for 1912.

3. Total Revenue and Expenditure for the years 1912 and 1913*:—

Years.	Revenue.			Expenditure.		
	Heads.			Heads.		
		£	£		£	£
1912	Ordinary ..	22,155		Ordinary ..	20,872	
	Land Sales ..	11,075		Extraordinary	11,655	
	Stock Ordinance	807		Stock Ordinance	981	
			34,037			33,508
1913	Ordinary ..	32,285		Ordinary ..	20,646	
	Land Sales ..	9,822		Extraordinary	3,965	
	Stock Ordinance	822		Stock Ordinance	627	
			42,929			25,238

The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £4,640, representing a total surplus during that period of £46,835.

4. The receipts in respect of Import Duties on wine, malt, spirits, and tobacco amounted to £6,199, or £3,772 more than in 1912, or £2,015 more than the average for the last five years.

5. There were no important changes in taxation during the year under review.

Assets and Liabilities.

6. At the closing of the accounts on the 31st December, 1913, the assets and liabilities of the Colony were as follows :—

	£
Assets	186,647
Liabilities	79,449
Excess of Assets	£107,198

The following statement shows the surplus of assets at the closing of accounts for the last two years* :—

Account.	1912.	1913.
	£	£
Surplus Revenue	—	4,701
Land Sales Fund	97,530	100,753
Live Stock Fund	1,548	1,744
Totals	£99,078	£107,198

* For the years 1908 to 1911 see the 1912 Report, No. 764.

7 The following statement shows the amount invested by the various funds in the purchase of stocks at the closing of the accounts for the last two years* (cost price) :—

Fund.	1912.	1913.
	£	£
Land Sales	96,837	99,992
Savings Bank	69,016	69,016
Intestate Estates.. ..	—	—
Currency Note	3,750	3,750
Currency Depreciation ..	388	388
Surplus Account	—	4,500
Total	£169,991	£177,646

8. The assumed market value of investments held on the 31st December, 1913, was as follows :—

Fund.	Market Value.
	£
Land Sales	89,407
Savings Bank	61,454
Currency Note	3,308
Currency Depreciation	360
Surplus Account	4,500
Total	£159,029

Currency.

9. British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency is established under Order of Her late Majesty in Council of the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for 1910†.

The denomination, number, and value of the notes in circulation at the end of the year 1913 were as follows :—

Denomination.	Number.	Value.
£ s.		£
5 0	603 ..	3,015
1 0	4,372 ..	4,372
0 5	452 ..	113
	..	
Total ..	5,507 ..	£7,500
	..	

* For the years 1908 to 1911 see the 1912 Report, No. 764.
† Colonial Report (Annual) No. 682, (Cd. 5467-18).

II.—TRADE AND INDUSTRIES.

10. The value of the imports was £239,222* and that of the exports £1,460,219†, as against £93,264 and £623,875, respectively, in 1912. The following gives the details of the imports :—

Class.	1912.	1913.
1. Live Animals, Foods, Drinks, and Narcotics :—	£	£
Aerated Waters	369	501
Drugs	1,801	219
Fodder, Corn and Hay ..	1,215	2,275
Fruit and Vegetables ..	1,061	2,122
Groceries, &c.	20,601	31,316
Live Stock	2,339	4,523
Malt Liquor	651	2,388
Spirits	1,316	1,989
Tobacco, Cigars, &c. ..	691	2,786
Wine	574	1,181
Totals	£30,608	£49,300
2. Raw Materials :—		
(*a*) Textile	—	—
(*b*) Metals and Minerals :—		
Coal	4,003	58,125
Other	2,657	3,506
(*c*) Others :—		
Timber	10,244	42,512
Totals	£16,904	£104,143
3. Manufactured Articles : -		
(*a*) Textile	1,463	2,455
Ships' Chandlery ..	3,404	8,248
Haberdashery	9,071	15,135
Wearing Apparel, &c.	10,706	11,107
Totals	£24,644	£36,945
(*b*) Metals and Minerals : -		
Hardware, &c.	£11,866	£37,764
(*c*) Other :—		
Furniture	2,896	4,490
Glass and Earthenware	462	957
Timber and Building Material	3,667	5,623
Totals	£7,025	£11,070
Total Manufactured Articles	£43,535	£85,779
4. Coin and Bullion	£2,000	—
Grand Totals ..	£93,264	£239,222

* Includes imports to South Georgia, £109,167.
† Includes exports from South Georgia, £443,378.

The following figures give the value of the imports for the years 1912 and 1913, arranged according to the country of origin :—

Country.	1912.	1913.
	£	£
United Kingdom	82,453	152,958
British Colonies	36	4,351
Argentina	97	43,482
Chile	5,442	1,986
Uruguay	1,643	1,781
Other Countries	3,593	34,664
Totals	£93,264	£239,222*

11. The following figures give the value of the exports for the years 1912 and 1913 :—

Country.	1912.	1913.
	£	£
United Kingdom	378,843	730,994
British Colonies	—	—
Argentina	—	80,552
Chile	34,194	37,700
Norway	177,765	414,490
Other Countries	33,073	196,483
Totals	£623,875	£1,460 219

The following gives detail of the exports† :—

Article.	1912		1913	
	Lbs.	£	Lbs.	£
Wool	4,650,771	134,680	4,820,553	158,443
Tallow	362,880	3,901	222 tons.	4,516
	Number.		Number.	
Live sheep	5,658	1,313	12,701	5,229
Sheepskins	73,158	10,826	128,160	17,905
Hides	871	746	1,042	1,236
Sealskins	3,109	7,982	226	598
Seal-oil	—	—	4,050 brls.	9,840
	Tons.		Tons.	
Whale oil	26,372	439,498	70,686	1,206,396
Whalebone	408	13,330	396	11,693
	Bags.		Bags.	
Guano‡	5,623	3,030	72,263	34,343
	Cases.		Cases.	
Tinned meat	6,963	6,745	5,119	6,470
Extract of meat	61	702	68	1,700
Miscellaneous	—	1,072	—	1,850

* Includes imports to South Georgia, £109,167.
† Includes exports from South Georgia, £443,378.
‡ Produced from whale carcases.

The following gives the total imports and exports for the five years 1909 to 1913 :—

	Imports.	Exports.
	£	£
1909	98,862	216,514
1910	94,294	308,930
1911	93,913	471,156
1912	93,264	623,875
1913	239,222	1,466,219
	£619,555	£3,080,694

Fisheries.

12. The following statement shows the result of the whaling industry for the 1912–13 season :—

Place.	Number caught.	Oil.		Bone.		Guano.		Total
		Brls.	Value.	Tons.	Value.	Bags.	Value.	
			£		£		£	£
Falkland Islands	200 (approx.)	6,628	26,512	396	11,693	72,263	34,343	26,512
S. Shetlands & Graham's Land ..	5,144	198,300	793,200					793,200
S. Orkneys	621	21,750	87,000					87,000
S. Georgia	2,710	126,457	505,828					505,828
Totals..	8,675	353,135	1,412,540	396	11,693	72,263	34,343	1,412,540

Total value, including whalebone and guano, £1,458,576.

As the whaling season is from 1st October to 30th September, it is not possible to show with accuracy the quantity and value of whale oil, etc., taken to 31st December.

Pastoral Industry.

13. The Report by the Chief Inspector of Stock for the year 1913 is printed as an appendix.

14. The amount to the credit of the Stock Fund on the 31st December, 1913, was £1,744, as compared with £1,548 in 1912. The Land Tax produced £822 ; the expenditure was £627.

15. The following gives the number of sheep in the Colony for the last five years :—

1909	715,651
1910	724,736
1911	706,170
1912	711,367
1913	698,072

Of these, 36,986 were canned or boiled down and 15,817 slaughtered for consumption in the Colony; a total of 52,803 killed in 1913, as against 59,424 killed in 1912.

The two canning factories are capable of dealing respectively with 600 and 300 sheep daily. They began work in 1910, employing 100 men, and produced, in 1913, 5,119 cases, valued at £6,470. Sixty-eight cases of extract of meat, valued at £1,700, were also exported.

Shipping.

16. The number of sailing vessels entered inwards was 18, with a tonnage of 19,021, an increase of 8,197 in tonnage and 6 in number as compared with last year. No British sailing vessels were entered, although in 1912 vessels sailing under the British flag were responsible for 33·3 per cent. of the number and 57·7 per cent. of the tonnage of sailing vessels entered.

17. The number of steamers entered was 141, with a tonnage of 241,816, an increase of 53 in number and of 54,837 in tonnage. 41·8 per cent. of the number and 68·5 per cent. of the tonnage was British, as against 44·3 per cent. and 76 per cent. respectively in 1912.

18. The following is a summary of the total shipping for the last five years :—

Vessels Entered.

Year	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1909 ..	44	144,024	4	7,202	12	5,652	9	3,625
1910 ..	37	135,505	5	10,089	21	13,616	9	9,010
1911 ..	38	121,711	9	6,036	26	20,218	5	6,904
1912 ..	39	142,144	4	6,251	49	44,835	8	4,573
1913 ..	59	165,681	—	—	82	76,135	18	19,021

Vessels Cleared.

Year.	British.				Foreign.			
	Steamers.		Sailing Vessels.		Steamers.		Sailing Vessels.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1909 ..	37	140,951	3	5,517	5	1,058	7	3,397
1910 ..	37	135,505	4	7,972	8	6,124	8	7,762
1911 ..	37	136,838	7	4,892	8	15,030	3	3,651
1912 ..	41	144,382	3	6,190	20	23,384	7	4,237
1913 ..	45	162,647	—	—	70	39,067	16	17,498

19. Stanley is a port of registry, and at the close of the year there were six vessels on the register, with a total tonnage of 465 tons.

Shipping Casualties.

20. A noteworthy fact in the shipping history of the Falkland Islands is the very considerable decrease in late years of the number of ships putting in for repairs. The only casualty of consequence during the year was that occurring to the "Lady Elizabeth," an iron sailing vessel of 1,155 tons with a cargo of lumber from Vancouver. On the 13th March the vessel heavily struck a rock off Volunteer Point, East Falkland, seriously damaging her bottom. No lives were lost, but the vessel was rendered unseaworthy and is now used as a storage hulk in Stanley Harbour.

III.—LEGISLATION.

21. Eight Ordinances were passed, of which the following were of most interest :—

Ordinance No. 1.—Amending the law with regard to the preservation of wild animals and birds in the Falkland Islands and Dependencies.

Ordinance No. 3.—Giving effect in the Colony to the measures decided upon at the International Opium Convention signed at The Hague on the 23rd January, 1912, and regulating the importation and storage of opium, morphine, cocaine and similar drugs.

Ordinance No. 5.—Amending the Tariff Ordinance, 1900, to define the strength of spirits by Sykes's hydrometer.

IV.—EDUCATION.

22. There are two schools in Stanley, the Government School and one controlled by the local Roman Catholic authorities. The Government School is undenominational, and both schools are purely secular in their instruction. The school age is the same as in England. In the Government School reading, writing, arithmetic, history, geography, grammar, drawing, singing, sewing, and physical drill all receive due attention and, as a whole, very fair work is done. Nature study is also taken, and two medals are presented each year for hygiene by His Excellency the Governor. During 1913 two medals were presented by the Administrator (Captain J. Quayle Dickson) to the boy and girl who, in the opinion of the scholars, held the best record for truthfulness in the school.

In the country districts the task of educating the children is somewhat a hard one, owing to the long distances between the houses. There is a small school at Darwin, in the Falkland Islands Company's camp, and besides this school the company employs two travelling schoolmasters. The Government employs five such schoolmasters, two on the East and three on the West Falkland. Each teacher has his own "beat," and he must spend a certain period at each house of call before passing on to the next. While this arrangement is not altogether satisfactory, it is the best which local conditions render practicable and, under the adverse circumstances, a surprising amount of progress is made.

During the year £955 was expended on education and £120 received as fees in the Government School.

23. The number of children being educated in the Colony during the year was 431, as against 426 for 1912, and they are classified as follows :—

	Boys.		Girls.		Totals.	
	1912	1913	1912	1913	1912	1913
Government School, Stanley ..	92	88	73	68	165	156
Roman Catholic, Stanley	36	30	54	75	90	105
Taught privately, West Falkland ..	5	5	7	7	12	12
Three Government Schoolmasters, West Falkland	26	22	27	23	53	45
Taught privately, East Falkland ..	5	6	1	3	6	9
Two Government Schoolmasters, East Falkland	24	27	21	25	45	52
Falkland Islands Company's Camps	5	5	5	5	10	10
Two Camp Schoolmasters	22	22	20	20	42	42
Other :—						
Taught privately	1	—	2	—	3	—
	216	205	210	226	426	431

The average attendances in the Stanley schools were :—Boys, 87·3 per cent. ; girls, 83·8 per cent.

V.—GOVERNMENT INSTITUTIONS.

Victoria Cottage Home.

24. This small institution has been very useful during the year ; twenty-three patients were admitted and given treatment.

It is hoped that the King Edward VII. Memorial Hospital may be completed and ready for occupation in the near future.

Savings Bank.

25. During the year ended 30th September, 1913, 68 accounts were opened and 67 closed, leaving a total number of 495 depositors, with balances amounting in the aggregate to £70,401, or an average of £142 to the credit of each account. This represents £31 per head of the population of the Falklands (2,298).

The income earned by the bank was £2,322, and the expenses (interest on deposits and expenses of audit) £1,733, leaving a profit of £593.

VI.—JUDICIAL.

26. The following table summarises the criminal statistics for the years 1912 and 1913* :—

	1912	1913
Number of offences reported to the police	67	45
Number of summary convictions :—		
1. For offences against the person	5	4
2. For offences against property	2	—
3. For other offences	33	37
Number of Supreme Court convictions :—		
1. For offences against the person	1	—
2. For offences against property	—	—
3. For other offences	1	—
Number of acquitals :—		
1. Inferior Court	27	4
2. Supreme Court	2	—

* For the years 1908 to 1911 see the 1912 Report, No. 764.

VII.—VITAL STATISTICS.

27. The following are the vital statistics for the year :—

	Births.	Deaths.	Marriages.
Stanley	35	12	10
Darwin and E. Falkland Camps	5	—	—
West Falklands	8	7	—
South Georgia	1	4	—
Totals	49	23	10

Birth rate per 1,000, 15·20 ; death rate 7·13. Total estimated population on 31st December, 1913, 3,223 ; of this total 2,328 are males and 895 females. The estimated population of South Georgia, which is included in the above figures, is 1,010.

Health.

28. The general health of the Colony continues to be good, and no epidemic of consequence occurred during the year. Asthma may be said to be the most common complaint.

The respective birth rates for the East and West Falkland during the last two years are as follows :—

	1912.	1913.
Births per 1,000		
East Falkland	31·09	23·10
West Falkland	13·55	11·97
Deaths per 1,000.		
East Falkland	13·63	7·30
West Falkland	7·50	10·48

The decline in the birth rate is attributed to the growing tendency of the sheep farmers to employ single men rather than married ones.

Dental. The Colonial Dentist reports that the consistency of the teeth of the native born Falkland Islander is undoubtedly soft and that the enamel may be said to be " chalky " in character.

A dental clinic has been started in the Government School and during the year 142 children were examined.

Rainfall.

29. The total rainfall registered at Stanley during 1913 was 26·08 inches. Its distribution throughout the year is shown in the following table, which has been compiled from the records taken at Government House :—

Latitude 51° 41′ 15″. Longitude 57° 51′ 15″.

Month.	Rainfall in Inches.	Date of Maximum in Inches.	Number of days on which rain fell.
January	1·75	·31 23rd	16
February	1·75	·47 {23rd, 26th}	16
March	4·51	·77 3rd	22
April	2·68	·38 9th	17
May	2·33	·49 28th	21
June	2·41	·45 28th	26
July	1·43	·41 13th	19
August	2·23	·38 8th	16
September	·59	·08 {1st, 10th, 19th}	12
October	1·28	·47 6th	19
November	2·52	·70 26th	15
December	2·60	·87 31st	15
Total	26·08	—	214

The following is a summary of meteorological observations taken at King Edward Cove, South Georgia, during 1913, and kindly supplied by the Argentine Government Station :—

Latitude 54° 18′ south. Longitude 36° 27′ west.

Month.	Total Rain-fall.	Number of days on which rain fell.	Prevail-ing Wind.	Number of calm days.
	Inches.			
January	4·091	18	N.	Nil.
February	4·686	21	W.	1
March	8·972	21	W.	Nil.
April	3·838	17	N.	2
May	13·058	26	N.W.	3
June	6·913	20	W. & N.W.	2
July	4·810	19	W.	2
August	3·654	11	S. W.	2
September	2·948	22	N.W.	1
October	1·326	15	N.W.	1
November	5·184	16	N.W.	1
December	3·118	11	N.W.	Nil.
Totals	62·78	217	—	15

VIII.- POSTAL SERVICE, &c.

30. The revenue of the Post Office was £2,692, or £677 less than in 1912. The expenditure, including a subsidy of £2,500 for the conveyance of mails beyond the Colony, was £3,776, as against £4,140 in 1912.

The Pacific Steam Navigation Company's steamers call at Stanley on their voyage out to Callao, and on their return voyage a fortnight later, thus making a four-weekly communication by letter with England.

The Falkland Islands are within the Postal Union as to rates of postage.

Money orders to the value of £9,971 on the United Kingdom and £380 on other places were issued during the year.

The total number of postal packages (letters, etc.) dealt with during the year was 153,580.

Mails between South Georgia and Europe travel *via* Buenos Aires. The distance between the latter port and South Georgia is about 1,500 miles, and occupies seven to eight days.

IX.—FALKLAND ISLANDS VOLUNTEERS.

31. Captain Watt resigned the command of the volunteers in September and all drills were suspended until the end of the year, during which time the reorganisation of the corps was under consideration.

X.—PUBLIC WORKS.

32. The construction of the Stanley Town Hall proceeded steadily during the year and by 31st December all the roof supports had been placed in position. Extensive alterations and additions were made to the police cottages, which are now in a good state of sanitation and repair. Consulting rooms were erected for the use of the Colonial Dentist. New roads were constructed to the peat banks to the south of the town; the nature of the ground rendered this work both lengthy and expensive.

W. S. ROPER,

for Colonial Secretary.

APPENDIX.

CHIEF INSPECTOR OF STOCK'S REPORT FOR THE SEASON 1913–1914.

Stock Department,

Stanley, 29th August, 1914.

SIR,

I have the honour to submit herewith the report of this department for the season 1913–1914.

Previous reports have been drawn up to the end of December in each year, but for many reasons this system was unsatisfactory, for parts of two separate seasons were thereby included instead of one entire season.

Sheep.

2. The general health of the flocks is extremely satisfactory. To some extent this is due to the enforcement of stringent importation regulations. Lice are at present our worst enemy among sheep, but I have great hopes of seeing the Colony free from this pest within the next few years. Many of the farmers apparently did not realize the extent to which their stock and wool were damaged by this parasite, dipping and gathering being carried on in a more or less careless manner, and it is suspected that in some cases attempts were being made to conceal infection. The result is that it has become necessary to enforce Section 16 of the Stock Ordinance, which gives the owner of infected sheep twelve months to clean his flock, under a penalty of a fine. Once again I should like to remind stock owners that they will find a poisonous powder dip far more effectual and reliable than the non-poisonous preparations, and also that two dippings at least are absolutely necessary if good and lasting results are to be expected. On some stations this important work has been carried on in a desultory manner, sheep being hurried through the trough, many without total immersion, apparently the one object in view being speed, thoroughness being quite a secondary consideration. It appears that some of the stock owners do not realise that the majority of the dips at present on the market are sold specifying to kill parasites within a stated time of immersion and when the dip is at a certain strength. Few profess to be effectual with a thirty seconds swim which leaves parts of the sheep quite untouched by the fluid, yet it is a fact that quite a number of sheep are hurried through the trough in a few seconds, whilst the strength of the preparation is the same as, or more often less than, is recommended for a thorough dipping, with an immersion of three times as long as that actually given. The result is obvious.

Specific Ophthalmia.

3. A disease known as specific ophthalmia, one of the chief symptoms of which was temporary blindness, showed itself on the East Falklands during the late summer and autumn, but with no serious results, the mortality being practically nil, and the disease disappearing with the advent of the wet weather. Specific ophthalmia is not contagious as has been thought, and is always liable to be seen after a spell of dry weather, but the results are not in any way serious.

Lambing.

4. The lambing percentage was slightly lower than that of last year, being 67·34 per cent., as compared with 68·82 per cent. for the year 1912. The lambs on the whole improve yearly and on some farms are of a very good type. In some stud flocks there are ram lambs which would compare very favourably with many young rams I have seen imported into the Colony.

Statistics.

5. It is gratifying to note that the death rate has been reduced from 12 per cent. in 1912 to 11 per cent. this season. Many stations have reduced their death rate considerably by judicious ditching, culling and stocking. On the East Falklands there was some mortality among the ewes at lambing and shearing times. The clip during the season was somewhat lighter than in the previous year, probably due to some extent to the exceptionally dry spring and summer. The price of all exports from the farm remained high, wool making as much as 1*s.* 2*d.* per pound. As predicted in my last report, the price of sheep has risen considerably and there is every prospect of a further good demand for sheep of good weight and quality during the coming season. The annual returns for 1914 show the number of sheep in the Colony to be 698,072, or 4,789 less than in the previous year. The number is now less than it has been for the last five years. This reduction may be accounted for by the large number of sheep exported.

Cattle.

6. A number of cattle were subjected to the tuberculin test, but in no single case was there a reaction. Examination of the mammary glands or udders of a large number of milk cows revealed less than 2 per cent. of suspected cases of tuberculosis, whilst no cases of this disease were seen after death in animals slaughtered either for food or other purposes. Tuberculosis in the sheep may be said to be practically non-existent. The conclusions which may be drawn from the above remarks are highly satisfactory to the Colony. About 1,000 head of cattle were canned during the season at the Goose Green Works. This is the first time that cattle have been utilised for this purpose in the Colony, and every encouragement should be given to the industry.

Horses.

7. The total number in the Colony is 3,528, a slight increase on previous returns. The general health of the horses has been extremely good during the season. The percentage of foals is considerably above that of last year, being 61·89 per cent. compared with 48·52 per cent.

Cultivation.

8. Much progress has been made in this respect during the last few years, the weather last season being especially favourable for good crops. Hay crops were particularly heavy and well saved, and probably sufficient hay is now grown in the Colony to supply its own needs.

Lucerne, or alfalfa, was tried on a small scale as an experiment, but beyond establishing itself fairly well in the ground did not give good results. Good crops of oaten hay were raised on the East and West Falklands, some attaining a height of over four feet. Green oat hay is a highly nutritious food for either horses or cattle, but should be given chopped. New hay is known to be unsuitable for feeding purposes, being liable to set up severe abdominal and skin troubles. Farmers would therefore be well advised not to cut their stack for at least six months if they can possibly avoid doing so.

Imports.

9. The number of live stock imported was slightly in excess of that of the previous year. The rams on the whole were of a much better quality and type than many of the shipments of foregoing seasons. I am informed by the Pacific Steam Navigation Company's agent that arrangements have been made for a cargo boat to leave England in October in each year. This, being after the Ashford sales, will be a great convenience to importers of stock; the inconvenience and expense of transhipping at Monte Video will be avoided and the risk of introducing disease into the Colony considerably reduced. During the season the Department received notices of intending importations of nearly 500 horses, which were to arrive at various Ports of Entry. Out of this number only 116 duly arrived, the majority of these reaching the Colony months after the date specified on the notices received. Since it was very inconvenient and almost impossible to arrange to meet these shipments for the purpose of examination, it was found necessary to enforce new importation regulations whereby all live stock must come through Port Stanley, except when special permission to do otherwise is granted. Since the introduction of the above regulations, it has been deemed advisable, owing to the risk of introducing contagious disease into the Colony, to issue a Proclamation prohibiting the importation of all live stock from South America. Probably there are some stock owners who may think this order unnecessarily severe, but I can assure them that what has been done is entirely in their own interest, for should the disease, from which the Government is doing its utmost to keep the Colony free, once get established here, many farms would be badly crippled in consequence, if not altogether ruined.

Quarantine Station.

10. All imported sheep are dipped and quarantined for thirty days as usual. A new dip was found to be necessary and has been erected, and at an early date it is hoped to put the station in thorough repair and in a more hygienic condition.

Exports.

11. Over 38,000 live sheep were exported to South America during the season. This is the largest number yet exported from the Falklands, but in all probability will be exceeded next year, for it is possible that in the near future negotiations will be entered into with certain companies in South America for exporting sheep of a suitable weight in a frozen condition. All the stock exported was free from disease and of good quality. Some discontent arose among the farmers about the prices offered; it appears that in some cases as much as 12*s*. per head was offered for 60 lb. wethers, while other farmers were offered three or four shillings less per head for sheep of the same weight. In a colony of this size it seems a pity that a standard price cannot be arranged for sheep of a uniform weight. Until something in this way is done I feel sure there will always be a certain amount of discontent which will not be beneficial to either buyer or seller. The general opinion amongst farmers is that next year a sheep of 60 lbs. will not be sold for less than 10*s*.

Geese.

12. Certain farmers on the West Falklands petitioned the Government asking that the payment for geese beaks be continued. The request was considered by the Governor in Council, the communication in reply being in the negative. Some of the farmers on the West Island now pay 10*s.* per 100 for beaks obtained on their own stations. The purchase of turkey, carrancho, and rook beaks is still continued.

I have, &c.,

H. W. Townson, M.R.C.V.S., Lond.,

Chief Inspector of Stock.

COMPARATIVE TABLE OF RETURNS.

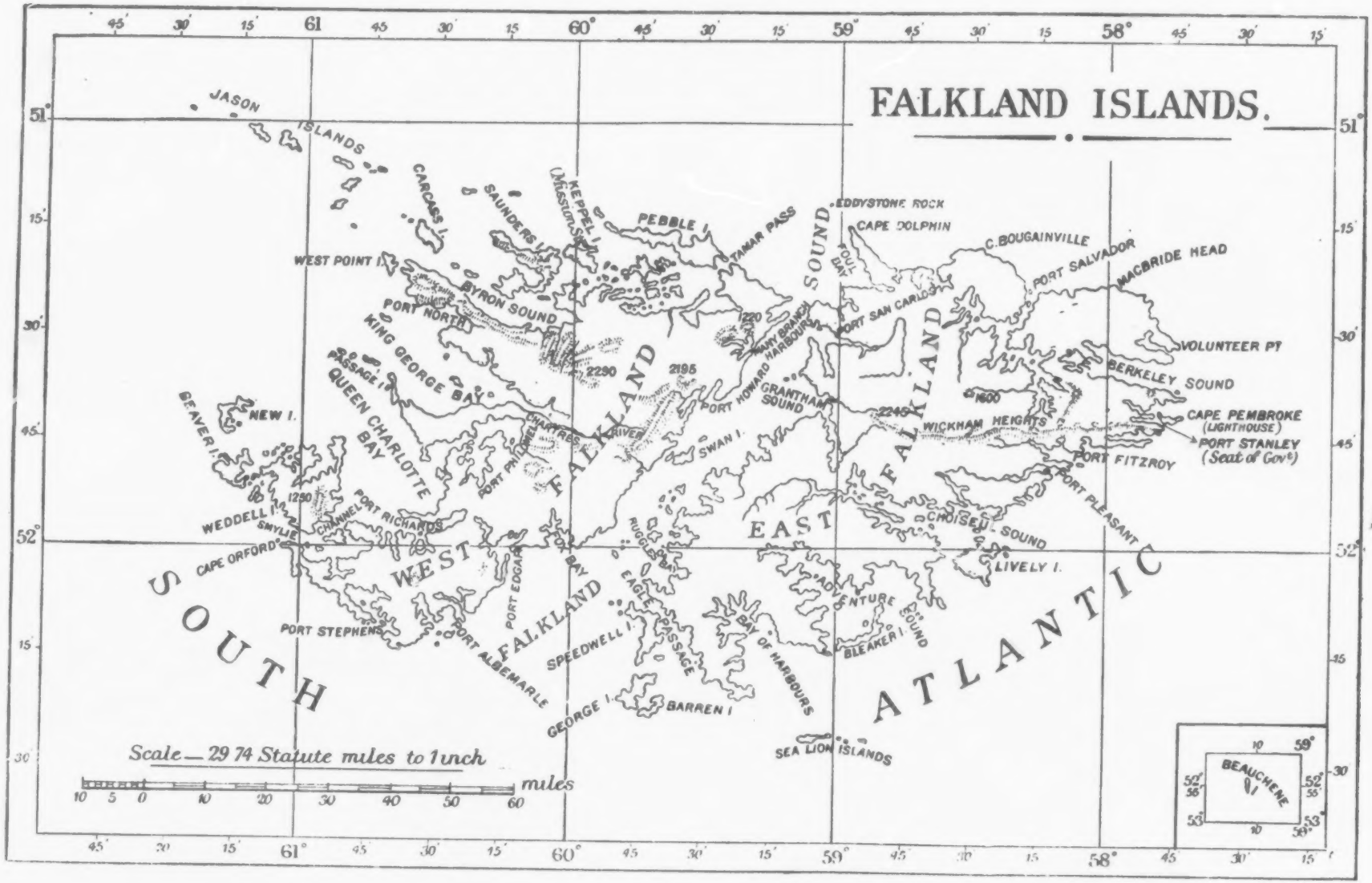
	1913	1914
Rams	8,720	8,857
Wethers	205,766	192,489
Breeding Ewes	263,217	267,010
Other Ewes	61,040	70,893
Lambs, Male	78,048	73,981
Lambs, Female	86,068	84,842
Lambs, total	165,116	158,823
Sheep, total	702,859	698,072
Boiled down	8,116	5,963
Canned	28,870	17,276
Horses and Mares	2,792	2,942
Brood Mares	373	349
Foals	181	216
Stallions	23	21
Cattle	8,491	7,821
Swine	59	64

Imports.

	1912–1913	1913–1914
Horses	70	116
Bull	—	1
Rams	33	35

Exports.

Sheep	12,701	38,124
Cattle	—	15


FALKLAND ISLANDS.
JASON ISLANDS
CARCASS I.
SAUNDERS I.
KEPPEL I. (MISSIONS)
PEBBLE I.
TAMAR PASS
EDDYSTONE ROCK
CAPE DOLPHIN
C. BOUGAINVILLE
PORT SALVADOR
MACBRIDE HEAD
WEST POINT I.
BYRON SOUND
PORT NORTH
KING GEORGE BAY
PASSAGE I.
QUEEN CHARLOTTE BAY
NEW I.
BEAVER I.
WEDDELL I.
SMYLIE
CAPE ORFORD
PORT RICHARDS
CHANNEL
PORT PHILOMEL
CHARTRES RIVER
FALKLAND SOUND
PORT HOWARD HARBOUR
GRANTHAM SOUND
SWAN I.
PORT SAN CARLOS
FOUL BAY
VOLUNTEER PT
BERKELEY SOUND
WICKHAM HEIGHTS
CAPE PEMBROKE (LIGHTHOUSE)
PORT STANLEY (Seat of Govt)
PORT FITZROY
PORT PLEASANT
CHOISEUL SOUND
LIVELY I.
EAST FALKLAND
WEST FALKLAND
PORT EDGAR
FOX BAY
RUGGLES BAY
EAGLE PASSAGE
ADVENTURE SOUND
BLEAKER I.
BAY OF HARBOURS
PORT STEPHENS
PORT ALBEMARLE
SPEEDWELL I.
GEORGE I.
BARREN I.
SEA LION ISLANDS
SOUTH ATLANTIC
Scale — 29·74 Statute miles to 1 inch
miles
10 5 0 10 20 30 40 50 60
BEAUCHENE I.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :

ANNUAL.

No.	Colony, &c.	Year.
777	Swaziland	1912–1913
778	Imperial Institute	1912
779	Barbados	1912–1913
780	British Guiana	,,
781	Entomological Research Committee	,,
782	Southern Nigeria	1912
783	Jamaica	1912–1913
784	British Honduras	1912
785	Northern Nigeria	,,
786	Malta	1912–1913
787	Uganda	,,
788	Mauritius	1912
789	Straits Settlements	,,
790	Trinidad and Tobago	1912–1913
791	East Africa Protectorate	,,
792	Grenada	1912
793	Leeward Islands	1912–1913
794	St. Lucia	,,
795	St. Vincent	,,
796	Bermuda	1912
797	Ceylon	,,
798	Gibraltar	1913
799	St. Helena	,,
800	Turks and Caicos Islands	,,
801	Seychelles	,,
802	Ceylon	,,
803	Bermuda	,,
804	Weihaiwei	,,
805	Gambia	,,
806	Gold Coast	,,
807	Northern Territories, Gold Coast	,,
808	Sierra Leone	,,
809	Bahamas	1913–1914
810	Cayman Islands (Jamaica)	1912–1913
811	Fiji	1913
812	Ashanti	,,
813	Basutoland	1913–1914
814	Hong Kong	1913
815	Bechuanaland Protectorate	1913–1914
816	Imperial Institute	1913

MISCELLANEOUS.

No.	Colony, &c.	Subject.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.

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1914.

COLONIAL REPORTS—ANNUAL.

No. 872.

FALKLAND ISLANDS.

REPORT FOR 1914.

(For Report for 1913 see No. 817.)

Presented to both Houses of Parliament by Command of His Majesty.
January, 1916.

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CONTENTS.

		Page
I.	Financial	4
II.	Trade and Industries	6
III.	Legislation	8
IV.	Education	8
V.	Government Institutions	9
VI.	Vital Statistics	
VII.	Postal Service, &c.	10
VIII.	Falkland Island Volunteers	11
IX.	Public Works..	11
X.	Civil Establishment	11
XI.	General	11
	Map	13

No. 872.

FALKLAND ISLANDS.

(For Report for 1913, see No. 817).

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
4th October, 1915.

SIR,

I have the honour to transmit herewith the Blue Book of the Falkland Islands for the year 1914, together with the report thereon by Mr. C. F. Condell, Colonial Secretary.

2. The Report indicates the continued progress of the Colony.

3. The exports of the two principal industries, sheep farming and whaling, valued at £191,013 and £1,301,547 respectively, show a satisfactory increase compared with £176,878 and £951,245, the annual average for the previous three years.

4. The total trade of the Colony during recent years has grown to a remarkable extent. Ten years ago the total trade for the year was valued at £225,600 compared with £194,800 for the year 1895, and with £146,100 thirty years ago. Last year's trade, valued at £1,738,843, stands out in bold contrast.

I have, &c.,
DOUGLAS YOUNG,
Governor.

The Right Honourable
The Secretary of State
for the Colonies.

Enclosure.

The Office of the Colonial Secretary,
Stanley,
Falkland Islands,
30th September, 1915.

SIR,

I have the honour to forward herewith the Blue Book of the Colony for the year 1914, and the accompanying Report thereon.

2. Even in normal times communication with the outlying dependency of South Georgia is difficult and irregular; this year, on account of the War and consequent disorganization of the usual services, some reports sent from South Georgia in April only reached Stanley in September. This alone would largely account for the late appearance of the Blue Book, while the fact that since the 1st January, 1915, there has been a new Governor, a new Colonial Secretary, and a change in the entire clerical staff of the Colonial Secretary's Office, has been a further cause of delay.

I have, &c.,
C. F. CONDELL,
Colonial Secretary.

To His Excellency,
W. Douglas Young, C.M.G.,
Governor and Commander-in-Chief.

(C326.) Wt.36076/850. 1125 & 90. 1.16. P.&F.Ltd. Gp.11/2.

REPORT ON THE BLUE BOOK OF THE FALKLAND ISLANDS FOR THE YEAR 1914.

I.—FINANCIAL.

General Revenue and Expenditure.

1. The ordinary revenue for the year ended 31st December, 1914, amounted to £33,760, exceeding that for the year ended 31st December, 1913, by £1,475.

2. The ordinary expenditure for the year ended 31st December, 1914, amounted to £31,543, and was £2,216 less than the ordinary revenue for the same period, and exceeded the ordinary expenditure for the year ended 31st December, 1913, by £10,895.

The only striking difference between the totals shown for the years 1913 and 1914 on the expenditure side is an increase of £9,624 under "Miscellaneous." This is accounted for by the fact that on the outbreak of war, there being no provision on the estimates for the unusual military expenditure, all charges incidental to the maintenance of the volunteer force were debited to this vote.

3. The average ordinary revenue during the last five years exceeded the average ordinary expenditure by £4,839, representing a total surplus during that period of £24,179.

4. The receipts in respect of import duties on wine, malt, spirits, and tobacco amounted to £5,557, being £642 less than in 1913, and £952 in excess of the average receipts for the five years 1910–14.

5. There were no important changes in taxation during 1914.

6. At the closing of accounts on the 31st December, 1914, the assets and liabilities of the Colony were as follows:—

	£
Assets	208,184
Liabilities	94,099
Excess of assets	£114,083

The following statement shows the surplus of assets at the closing of accounts for the last two years:—

Account.	1913.	1914.
	£	£
Surplus revenue	4,701	2,961
Land sales fund	100,753	109,118
Livestock fund	1,744	2,004
Totals	£107,198	£114,083

7. The following statement shows the amount invested by the various funds in the purchase of stocks at the closing of the accounts, for the last two years (cost price) :—

Fund.	1913.	1914.
	£	£
Land sales	99,992	109,125
Savings bank	69,016	69,013
Intestate estates	....	....
Currency note	3,750	3,750
Currency depreciation ..	388	388
Westminster Bank	....	19,500
Surplus account	4,500	....
Totals	£177,646	£201,779

8. Owing to the unsettled state of the markets it was found impossible to estimate the probable market value of the stock held by the various funds on the 31st December, 1914.

Currency.

9. British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency was established under an Order of Queen Victoria in Council dated the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for the year 1910.

The number and value of notes circulating in 1914 were 3,399 and £6,466 19s., as compared with 5,507 and £7,500 in 1913.

The marked decrease in the number and value of notes in circulation at the end of 1914 as compared with the corresponding figures for 1913 is explained by the fact that in November, in anticipation of a raid by enemy cruisers, a large number of currency notes were destroyed; at the same time the gold reserve in the hands of the Commissioners of Currency was transferred to London and placed on deposit with the London and Westminster Bank, Limited.

The profit and loss account of the Commissioners of Currency for the year 1914 showed a net profit of £112, which sum has been carried to the general revenue of the Colony.

II.—TRADE AND INDUSTRIES.

10. The value of the imports during 1914 was £233,379, and that of the exports £1,505,464, as against £239,333 and £1,460,219, respectively, in 1913.

The following figures give the value of the imports during the year 1914, arranged according to the countries of origin :—

Country.	1914. £
United Kingdom	163,443
British Colonies	436
Argentina	26,114
Norway	23,955
Germany	4,568
Uruguay	3,147
Chile	2,894
Other	8,822
Total	£233,379

The following figures give the value of the exports during the year 1914 :—

Country.	1914. £
United Kingdom	571,110
British Colonies	5,790
Norway	439,043
Germany	134,860
Argentina	71,132
Holland	84,890
Spain	53,085
Chile	41,487
Portugal	30,292
Uruguay	73,671
Other	104
Total	£1,505,464

Whale Fisheries.

11. The following table gives the results of the whaling operations in the waters of the Colony and Dependencies during the season 1913–14. It is impossible to give the exact figures in respect of any one year owing to the fact that the whaling season lasts from the 1st October to the 30th September.

Locality.	Number caught.	Whale Oil.		Bone.		Guano.		Bone Meal.		Total
		Barrels.	Value.	Tons.	Value.	Bags.	Value.	Bags.	Value.	
			£		£		£		£	£
Falkland Islands	300 (approx.)	4,505	13,515	80	—	3,363	1,681	—	—	15,196
S. Shetlands & Graham's Land ..	5,259	222,940	714,021	111	275	10,148	6,187	—	—	720,474
S. Orkneys	621	21,750	76,120	20	30	—	—	—	—	76,150
S. Georgia	3,349	166,578	445,063	213	4,066	81,324	40,028	1,327	570	489,727
Totals..	9,429	415,783	1,248,719	424	4,371	94,835	47,887	1,327	570	1,301,548

Pastoral.

12. The amount standing to the credit of the stock fund on the 31st December, 1914, was £2,004, as compared with a total of £1,744 on the 31st December, 1913. The land tax produced £807; the expenditure was £547.

The number of sheep in the Colony for the year 1914 was 701,268.

Only one canning factory was working during the greater part of the year; 15,787 sheep were canned during the season.

On account of the war many of the farmers were shorthanded; the lack of shepherds naturally resulted in a disappointing lambing season.

In July, owing to an outbreak of foot-and-mouth disease in southern Chile, a proclamation was issued forbidding the importation into the Colony of all varieties of livestock.

The Chief Inspector of Stock reports that ophthalmia among the live stock of the Colony is steadily on the decline and that the Colony may now be said to be practically free from the disease.

The price of wool realized by the Falkland Islands farmers in the London markets showed a marked rise, some consignments attaining a record price of 1*s.* 5*d.* a pound.

Shipping.

13. The number of sailing vessels entered in the Colony during 1914 was 11, with a total tonnage of 11,045, as against 18, with a tonnage of 19,021, in 1913. One British sailing vessel was entered.

The number of steam vessels entered was 119, with a tonnage of 241,784, showing a decrease of 22 in number and 32 in tonnage; of this number 66 were British vessels, with a tonnage of 189,893.

Port Stanley was visited by thirteen warships.

Shipping Casualties.

14. The New Zealand Shipping Company's s.s. "Waimate" arrived in Port Stanley on the 25th May with a large cargo of flax badly on fire, having experienced very heavy gales south of Cape Horn. The fires were successfully extinguished.

III.—LEGISLATION.

15. Nine Ordinances were passed in 1914, the following being of most general interest:—

No. 3, providing for the registration of medical practitioners midwives, and dentists.

No. 4, consolidating the cemetery legislation and making provision for the appointment of a burial board.

No. 6, regulating the sale and use of poisons.

No. 7, incorporating the cemetery burial board as a body corporate.

No. 9, making provision for the preservation of penguins.

IV.—EDUCATION.

16. There are two schools in Stanley—the Government School and one controlled by the Roman Catholic authorities. The Government School is undenominational and the teaching in both is purely secular. The school age is the same as in England.

The educational system of the Colony was considerably disorganized owing to the war. Apart from a small school at Darwin, maintained by the Falkland Islands Company, all teaching outside Stanley is done by itinerant teachers, two being employed on their "camp" by the Falkland Islands Company and five by the Government in different parts of the Colony. On the outbreak of war three of the Government itinerant schoolmasters joined the volunteer force and were recalled to Stanley. The Government School in Stanley was closed for a

considerable period during the latter part of the year, and for a period of six weeks all women and children left Stanley for various parts of the East and West Falklands. The numerical returns for the year are necessarily incomplete.

During the year a sum of £923 was expended under the education vote, and £114 was received as fees at the Government School.

V.—GOVERNMENT INSTITUTIONS.

17. The King Edward VII. Memorial Hospital, the erection and furnishing of which was practically completed by September, was placed at the disposal of Government by the Committee responsible for its building, in November. Both this institution and the Victoria Cottage Home were then taken over by the naval authorities and managed by them with the assistance of the civil staff, and proved of the utmost value in accommodating the wounded after the naval action off the Colony on the 8th December.

The Government Savings Bank.

18. During the twelve months ended the 30th September, 1914, 85 accounts were opened and 37 closed, leaving a total number of 541 depositors, with balances amounting to £79,434; this gives an average of almost £35 a head of the population of the Colony (2272). The income earned by the Bank during this period was £2,317, and the expenses incurred (payment of interest and audit charges) amounted to £1,649, leaving a profit of £668.

VI.—VITAL STATISTICS.

19. In 1914 the total recorded number of births was 45, of deaths 32, and of marriages 21. No returns, however, are available from West Falkland.

The birth-rate per thousand during 1914 was 16·63, and the death-rate 9·69. Eight men from His Majesty's ships who were killed, or died from wounds on active service, are not included in the above totals. The estimated population of the Colony (inclusive of South Georgia) on the 31st December, 1914, amounted to 3,223, of which 2,328 were males and 895 females.

HEALTH.

20. The general health of the Colony continues to be good. The following is an extract from the report of the Colonial Surgeon for the year 1914:—

"Stanley was visited, as in 1913, in the months of May and June, by an epidemic of influenza. Practically every house in the settlement was affected. . . . There was also an epidemic of chicken-pox in the East Camp and a few isolated cases of measles in Stanley, which fortunately did not spread. No deaths resulted from either of these epidemics. The Falkland Islands Volunteers were called out for active service on the outbreak of war. The health of the corps, in spite of the difficulty of obtaining suitable accommodation for the men, and the severe weather to which they were exposed in the performance of their duty, was excellent."

21. The school dental clinic, started in 1913, was carried on during 1914, and the teeth of 224 children were treated, as against 142 in the previous year.

VII.—POSTAL SERVICE.

22. The revenue of the Post Office during 1914 was £3,499, being £807 in excess of the revenue collected in 1913. The expenditure, including a subsidy of £2,500 for the conveyance of mails beyond the Colony, was £3,763, or £13 less than the expenditure incurred in 1913.

The Pacific Steam Navigation Company's vessels at the beginning of the year called at Port Stanley on their outward voyage to Callao, and on their return voyage to Liverpool. With the opening of the Panama Canal certain alterations in the Company's schedule enabled a fortnightly service of letters to be delivered at Port Stanley, the homeward bound vessels picking up letters from England taken to Punta Arenas, Chile, by the intermediate outward mailboat. The outbreak of the war, however, intervened to prevent the continuation of this system, and since the middle of August the mail service has been naturally curtailed and irregular.

The Falkland Islands are within the Postal Union as regards rates of postage.

Money orders to the value of £7,935 were issued on the United Kingdom, and £943 on other places.

The total number of letters and other postal packages handled during the year is estimated to be 161,556.

Mails between Europe and South Georgia are transmitted via Buenos Aires; the mailboat between Buenos Aires and South Georgia occupies about eight days in transit, the distance being about 1,500 miles.

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VIII.—FALKLAND ISLANDS VOLUNTEERS.

23. On the outbreak of war the Falkland Islands Volunteers were called out on active service under the command of Major (honorary) H.M.S. Turner. The numerical strength of the force was largely increased during the remaining five months of the year. Eight members of the force were accidentally drowned in the performance of military duty on the 1st December.

IX.—PUBLIC WORKS.

26. Naturally the outbreak of the war and the mobilization of the Falkland Islands Volunteers very seriously handicapped the public works programme for the year, and several works of importance have had to be abandoned until the cessation of hostilities. Nevertheless, some considerable progress had by August been made on the Stanley Town Hall, and further progress was made later.

X.—CIVIL ESTABLISHMENT.

27. His Excellency W. L. Allardyce, C.M.G., Governor, returned from leave on the 30th April. During his absence (since August, 1913) the Colonial Secretary, Captain John Quayle Dickson, administered the government.

The Colonial Secretary, Captain Dickson, left the Colony on the 9th June.

In November the Governor, His Excellency W. L. Allardyce, C.M.G., was appointed to the Governorship of the Bahamas Islands, but did not leave the Colony during 1914, and W. Douglas Young, Esq., C.M.G., Administrator of St. Lucia, British West Indies, was in December appointed to the Governorship of the Falkland Islands. Mr. Young did not arrive in the Colony during 1914.

XI.—GENERAL.

28. In response to an appeal from the Governor a sum of nearly £5,000 was raised in aid of the Prince of Wales's National Relief Fund.

A sum of over £300 was also sent to the Crown Agents to be added to the Belgian Relief Fund.

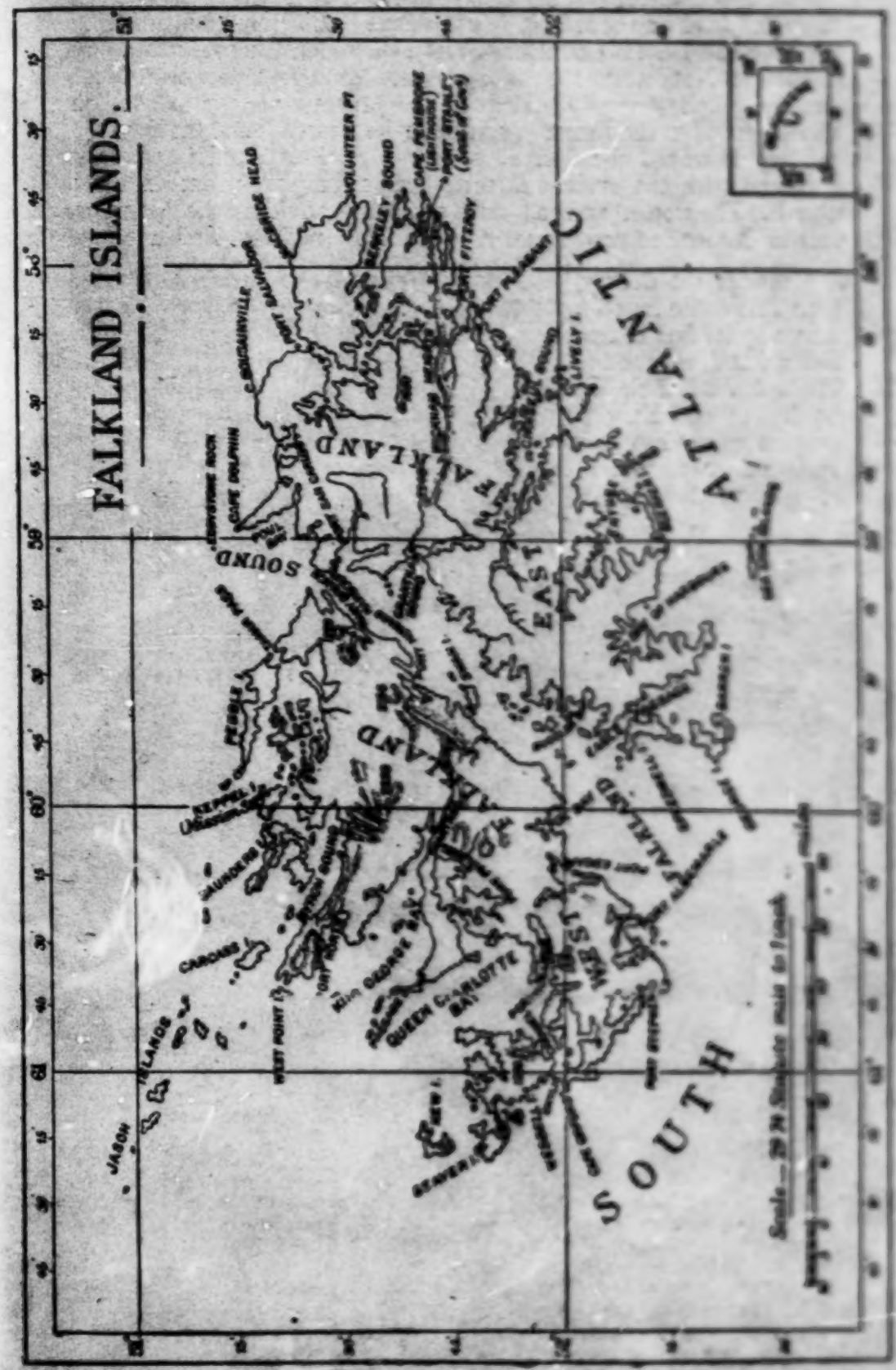
The war made 1914 the most momentous year in the history of this usually quiet Colony. As stated in a previous section the Volunteer Force was called out on active service on the outbreak of war in August, and in spite of the difficulties of communication with the outlying

districts the number of men under arms was soon very considerable. After the departure of H.M.S. "Good Hope" and "Monmouth" from the Falkland Islands and their subsequent loss in the engagement off Coronel in November, the Colony passed through a period of great anxiety which was only ended by the brilliant victory of the 8th December, when the British squadron under Vice-Admiral Sir Doveton Sturdee destroyed the German squadron off Port Stanley, where it appeared with the evident intention of making a descent on these islands. The women and children were, on the advice of the Governor, sent in October to various parts of the East and West Falklands.

Although the Colony, on account of its small population, has not been able to do much towards assisting the Empire, its goodwill was shown by its first contribution towards the Prince of Wales's National Relief Fund, amounting to over £1 per head of the total population. The colonists of the Falkland Islands are inspired with the utmost loyalty to the King and join with His Majesty's other subjects throughout the Empire in praying that the war which has been forced upon him may, by the courage of his naval and military forces, be brought to an early and successful termination.

C. F. CONDELL,

Colonial Secretary.


FALKLAND ISLANDS.
ATLANTIC
SOUTH
EAST FALKLAND
WEST FALKLAND
SOUND
JASON ISLANDS
CHARLES
KEPPEL
PEBBLE
WEST POINT
QUEEN CHARLOTTE
BERKELEY SOUND
VOLUNTEER PT
CAPE PEMBROKE
PORT STANLEY
PORT FITZROY
CAPE DOLPHIN
CARCASS ISLAND

COLONIAL REPORTS, &c

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
837	Somaliland	1913–1914
838	Straits Settlements	1913
839	Cayman Islands	1913–1914
840	East Africa Protectorate	"
841	Leeward Islands	"
842	Gilbert and Ellice Islands	"
843	Zanzibar	1914
844	Turks and Caicos Islands	"
845	Weihaiwei	"
846	Seychelles	"
847	St. Helena	"
848	Fiji	"
849	Bahamas	1914–1915
850	Gibraltar	1914
851	Sierra Leone	"
852	Grenada	1914–1915
853	Bermuda	1914
854	Malta	1914–1915
855	Ceylon	1914
856	Hong Kong	"
857	Bechuanaland Protectorate	1914–1915
858	Basutoland	"
859	Gold Coast	1914
860	Jamaica	1914–1915
861	Gambia	1914
862	Straits Settlements	"
863	Northern Territories of the Gold Coast	"
864	Ashanti	"
865	Cyprus	1914–1915
866	Swaziland	"
867	Somaliland	"
868	British Honduras	1914
869	British Solomon Islands	1914–1915
870	Tongan Islands Protectorate	"
871	Barbados	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

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1916.

COLONIAL REPORTS—ANNUAL.

No. 907.

FALKLAND ISLANDS.

REPORT FOR 1915.

(For Report for 1914 see No. 872.)

Presented to both Houses of Parliament by Command of His Majesty.
November, 1916.

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CONTENTS.

		Page
I.	Financial	4
II.	Trade and Industries	6
III.	Education	9
IV.	Government Institutions	10
V.	Judicial	10
VI.	Vital Statistics	11
VII.	Postal Service	11
VIII.	Falkland Islands Volunteers	12
IX.	Public Works	12
X.	Civil Establishment	13
XI.	General	13

A sketch map will be found in the previous Report, No. 872: [Cd.7622–63].

No. 907.

FALKLAND ISLANDS.

(For Report for 1914, see No. 872.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,

Stanley,

22nd July, 1916.

SIR,

I have the honour to submit herewith the report by Mr. C. F. Condell, Colonial Secretary, on the Blue Book of this Colony for the year 1915.

I have, &c.,

DOUGLAS YOUNG,

Governor.

The Right Honourable

The Secretary of State for the Colonies,

&c., &c., &c.

(C314.) Wt.45316/1003. 1,000 & 90. 11.16. B.&.F.Ltd. Gp 11/2.

REPORT ON THE BLUE BOOK OF THE COLONY OF THE FALKLAND ISLANDS FOR THE YEAR 1915.

The Colony of the Falkland Islands consists of the Falkland Islands and Dependencies.

The Falkland Islands proper are two large islands, East Falkland and West Falkland, and a number of small islands. The sole industry of the Falkland Islands is sheep farming, with the exception of a little whaling at New Island, to the south west of West Falkland.

The dependencies of the Falkland Islands are South Georgia, the South Shetland Islands, the South Orkney Islands, the South Sandwich Islands, and Graham's Land.

Whaling is the only industry of the dependencies, with the exception of small sealing operations in South Georgia; whaling continues throughout the year in South Georgia, consequently there is a settled population of about 1,000 people in that dependency; in the other dependencies whaling operations are only undertaken from November to April; during the winter months of the year (May to October) the islands are deserted.

The capital of the Colony and seat of Government is Stanley, situated at the south east of East Falkland.

I.—FINANCIAL.

General Revenue and Expenditure.

1. The ordinary revenue for the year ended 1915 amounted to £34,347, exceeding that for the previous year by £587.

2. The expenditure (including Public Works Extraordinary) for the year 1915 was £33,001, being £1,346 less than the revenue collected during the year, and £2,499 less than the expenditure incurred during the previous year. The surplus balance of £1,346 would have been considerably smaller had not war conditions seriously interfered with the Public Works programme.

3. The ordinary revenue collected during the year exceeded the estimate by £13,274; the expenditure (including Public Works Extraordinary) was less than the estimate by £939.

4. The receipts in respect of import duties on wine, malt, spirits, and tobacco amounted to £6,263, being £706 more than in 1914, and £1,658 in excess of the average receipts for the five years 1910–14.

5. The following increases in export duties were passed during the year to meet increased expenditure:—

Wool	from 1/20th of 1*d*. per lb. to 1*s*. 3*d*. per 100 lbs. (Or 1½*d*. per 10 lbs.)
Sheep	from ½d. each to 3*d*. each.
Sheepskins	from ½d. each to 1*d*. each.
Hides	from 3*d*. each to 6*d*. each.
Whale Oil	from 3*d*. per barrel of 40 gallons to 3½*d*. per barrel of 40 gallons.

and the following new export duties were imposed:—

Meats (canned or preserved) ..	6*d*. per case of 72 lbs. (or 1/12th of 1d. per lb.)
Guano (of all kinds)	1½*d*. for every 100 lbs. or part thereof.

6. At the closing of accounts on the 31st December, 1915, the assets and liabilities of the Colony were as follows:—

	£
Assets	227,473
Liabilities	103,362
Excess of assets	£124,111

The following statement shows the surplus of assets at the closing of accounts for the past two years:—

Account.	1914.	1915.
	£	£
Surplus balance	2,961	4,307
Land sales fund	109,118	117,591
Livestock fund	2,004	2,213
Totals	£114,083	£124,111

7. The following statement shows the amount invested by the various funds at the closing of accounts during the last two years :—

Fund.	1914.	1915.
	£	£
Land sales	109,125	117,582
Savings bank	69,016	74,016
Currency Commissioners ..	4,138	4,138
Westminster Bank (on deposit)	19,500	23,016
Stanley Cemetery	....	1,450
Totals	£201,779	£220,202

8. Owing to the unsettled state of the markets it is not considered that any practical purpose would be served by quoting the estimated market value of the stock held by the various funds on the 31st December, 1915.

Currency.

9. British gold, silver, and bronze are current. There is, however, little gold in circulation. A Government paper currency was established under an Order in Council of Queen Victoria, dated the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for the year 1910.*

The number and value of the notes circulating in 1915 were 6,690 and £10,000, as compared with 3,399 and £6,457 in 1914. The increase was due partly to the re-issue at the beginning of the year of a number of notes destroyed previously for reasons connected with the War, and partly to an increase in the total value allowed from £7,500 to £10,000. On the 1st January the whole of the coin reserve £3,750, was in the hands of the Crown Agents on deposit in the London and Westminster Bank, Limited. When the issue was increased £2,500 was placed in the safe of the Commissioners of Currency in the Colony, and £2,500 left on deposit in the London and Westminster Bank, Limited.

The profit and loss account of the Commissioners of Currency for the year 1915 showed a profit of £109, which sum has been carried to the General Revenue of the Colony.

II.—TRADE AND INDUSTRIES.

10. The value of the imports during 1915 was £368,272, and that of the exports £1,576,126, as against £238,379 and £1,505,464, respectively, during 1914.

* Col. Report [Annual] No. 682 ; [Cd. 5467-18.]

The following figures give the value of the imports during the year 1915, arranged according to the countries of origin :—

Country.	£
United Kingdom	229,125
British Colonies	8,652
Other Countries	130,495
Total	£268,272

Outside the United Kingdom the only countries from which large imports were made were Argentina (£52,337) and Norway (£66,833).

The following figures give details of the exports, arranged according to countries of destination :—

Country.	£
United Kingdom	1,478,066
British Colonies	—
Other Countries	98,060
Total	£1,576,126

A proclamation was issued on account of the War to the effect that all goods should be exported to the United Kingdom. The heading above "other countries" includes Argentina and Brazil (£64,854 and £33,000 respectively). The goods entered as exported to Brazil were really destined for the United Kingdom, certain ships merely clearing to Rio de Janeiro for orders. An Argentine whaling company received special permission to export all whale oil obtained by the company to Buenos Aires, on condition that a certain proportion was re-exported under proper guarantees to the United Kingdom, and that the remainder should be disposed of in an approved manner within the limits of Argentina. Certain of the exports, therefore, entered as destined for Argentina were in reality destined for the United Kingdom.

The very high trade return, amounting to a sum of nearly two million pounds sterling (viz., £1,944,398) for the year under review, when compared with the population of the Colony, which, including the dependencies, is only 3,451, is worthy of remark. The trade with the United Kingdom alone, exclusive of the goods reconsigned from Brazil and Argentina to England, is £1,707,191. In 1905, ten years before, the total trade returns amounted to £225,605. It is only since 1882 that the revenue has equalled and exceeded the expenditure. Up till then the Colony, aided by a Parliamentary grant, was living in constant difficulties, and barely able to eke out a precarious financial existence by bringing everything under the hammer for which cash could be obtained.

Whale Fisheries.

11. The following table gives the results of the whaling operations conducted in the waters of the Colony and Dependencies during the 1914–15 season. It is not possible to give with any exactness the figures in respect of any calendar year, owing to the fact that the whaling year begins on the 1st October and ends on the 30th September of the following year, although whaling operations (except in South Georgia and to some extent in the Falkland Islands) are only carried on in the summer months, *i.e.*, from November to March.

Locality.	Number caught.	Whale Oil.		Bone.		Guano.		Total
		Barrels.	Value.	Tons.	Value.	Bags.	Value.	
			£		£		£	£
Falkland Islands	200 (approx.)	7,434	29,763	10	18*	7,870	3,849	33,630
S. Shetlands & Graham's Land ..	4,133	204,436	557,740	60	735	11,011	5,505	563,980
S. Orkneys	381	14,000	46,660	—	—	—	—	46,660
S. Georgia	5,097	233,299	658,583	18	1,117	59,484	29,428	689,128
Totals..	9,811	459,169	1,292,746	88	1,870	78,365	38,782	1,333,398

*Includes 27 bags of bone meal.

Pastoral.

12. The amount standing to the credit of the stock fund on the 31st December, 1915, was £2,213, as compared with a total of £2,004 on the 31st December, 1914. The land tax produced £807; the expenditure for the year being £599.

The general health of the livestock is excellent, the sheep being probably more free from external disease than they have been for the past twenty years.

The total number of sheep in the colony was 690,574, as compared with 701,268 during 1914; this decrease is accounted for mainly by the greater number of sheep canned during the year and the increase in the demand for mutton.

Over 36,000 sheep were canned, as compared with 17,000 canned during the previous year. The prices given for sheep for canning were as follows:—

For sheep over 45 lbs. in weight (dead weight), 2¼*d.* per lb.
For sheep between 45 and 40 lbs., 1½*d.* per lb.
For sheep under 40 lbs., 3*s.* 6*d.* per head.

Last year's record price for wool (1*s.* 5*d.* per lb.) was easily beaten during 1915, two stations obtaining 1*s.* 7*d.* in the London markets.

By a proclamation of the Governor the exportation of all live stock to foreign countries was prohibited.

Some progress was made in crop cultivation during the year, but owing to the exceptionally dry summer, the crops were somewhat light.

Shipping.

13. The number of sailing vessels entered in the Colony during 1915 was 10, with a total tonnage of 14,554, as against 11, with a tonnage of 11,045, in 1914. No British sailing vessel was entered.

The number of steam vessels entered was 128, with a total tonnage of 251,366, showing an increase of 9 in number and 9,482 in tonnage; of this number 64 were British vessels, with a tonnage of 194,976.

Shipping Casualties.

14. There were no shipping casualties in the waters of the Falkland Islands. In January the s.s. " Guvernören, a floating factory operating in the waters of the South Shetlands and Graham's Land in connection with the whale fishery, was destroyed by fire in Belgica Strait. The s.s. " Harpun," a steam whale catcher, struck a rock and sank near Deception Island during the same month.

III.—EDUCATION.

15. There are three schools in the Colony; a Government School and a Roman Catholic School in Stanley and a small school supported by the Falkland Islands Company, Limited, in Darwin. The two last do not receive any grant from the Government.

The children in the country or " camp " districts are taught by travelling teachers, who have each an allotted beat. There are five Government travelling teachers, two in the East Falkland and three in the West Falkland; there are also two camp teachers employed by the Falkland Islands Company in Lafonia, the whole of which peninsula belongs to the Company.

During 1915 two of the Government travelling teachers were absent from their beats the whole year and a third for the first half of the year, on account of circumstances connected with the War.

The total number of children under instruction during 1915 was 341 (163 boys and 178 girls), or 14 per cent. of the total population; of these 195 were taught in the Government school or by Government travelling teachers.

The expenditure of the Government school, Stanley, amounted during 1915 to £1,026, and the revenue to £152; there were 130 children in average attendance, making the cost of upkeep amount to £6 7*s.* 6*d.* per head.

IV.—GOVERNMENT INSTITUTIONS.

16. The King Edward Memorial Hospital was opened as a civil hospital in May. The Victoria Cottage Home was at the same time closed as such, the two inmates being accommodated in one portion of the new hospital, which includes the new Victoria Cottage Home.

The Acting Nurse-Matron resigned in November. Owing to war conditions no successor had been obtained by the end of the year.

Twenty-one cases were admitted to the hospital during the year, 17 males and 4 females.

17. During the twelve months ended the 30th September, 1915, the Government Savings Bank showed an increase of business in all respects. 206 accounts were opened and 43 closed, leaving a total number of 696 depositors, with balances amounting to £74,016; this gives an average of about £30 a head of the population of the Colony (2,451). The income earned by the Bank during this period was £2,309, and the expenses incurred (including payment of interest, audit charges, and Manager's salary) amounted to £1,805, leaving a profit of £504.

18. Owing to war conditions the museum has not attracted the usual number of visitors from the mail steamers; no doubt at the end of the War and with the added advantage of being in new quarters in the town hall, the number of visitors to the museum will become larger again.

19. The Public Library continues to attract many readers, and as in the case of the museum, its scope of usefulness will no doubt be widened after it is transferred to the town hall.

V.—JUDICIAL.

20. During the year three cases were heard before the Prize Court, *i.e.*, the s.s. "Josephina," the s.s. "Bangor," and the sailing vessel "Pax."

VI.—VITAL STATISTICS.

21. In 1915 the total recorded number of births was 46, of deaths 28, and of marriages 16.

The birth-rate per thousand during 1915 was 13·37, and the death-rate 8·13. The estimated population of the Colony (inclusive of South Georgia) on the 31st December, 1915, amounted to 3,451, of which 2,519 were males and 932 females.

Health.

22. The health of the population during the year continued good on the whole. An epidemic of a peculiar kind occurred during July, August, and September, and resulted in five deaths; the symptoms simulated very closely those of beriberi; no cases occurred in Stanley.

While the health of the normal population of Stanley was good, that of the workmen imported for special work from England was less satisfactory, the chief illnesses among them being bronchitis, rheumatism, and enteritis; many cases of the last were probably due to excessive meat eating, to which the majority of the men were not accustomed.

VII.—POSTAL SERVICE.

23. The revenue of the Post Office during 1915 was £2,105, being £1,394 less than the revenue collected during 1914. The expenditure, including a subsidy of £2,500 for the conveyance of mails beyond the limits of the Colony, was £4,261, or £498 more than the expenditure for the previous year.

The monthly mail service of the Pacific Steam Navigation Company, in spite of war conditions, was regular throughout 1915.

The Falkland Islands are within the Postal Union as regards rates of postage.

Money orders to the value of £10,923 were issued on the United Kingdom, and £175 on other places, as compared with £7,935 and £943, respectively, during 1914.

The total number of letters and other postal packages handled during 1915 is estimated to be 170,115, as compared with 161,556 in 1914.

Mails between Europe and South Georgia, and between Stanley and South Georgia, are transmitted via Buenos Aires; the mailboat between Buenos Aires and South Georgia occupies about eight days in transit, the distance being about 1,500 miles. There were, however, during 1915, a few opportunities for a direct mail from Stanley to South Georgia by whalers.

The Government wireless station, erected and opened in 1912, has continued to prove its value, although its usefulness was, during the latter part of the year, somewhat curtailed by the laying of the Admiralty cable.

The telephone service brought in a revenue of £100; including the long distance lines, partly owned by the Government and partly private, there were at the end of 1915 about 120 miles of line open for traffic.

VIII.—FALKLAND ISLANDS VOLUNTEERS.

24. The Volunteer Force remained throughout the year on active service, although certain members of the Force were permitted to resume their civil occupations, subject to any further call that might be made on their services.

On the 17th May the command of the force was taken over by Captain Frederick John Newman, 7th Supernumerary Company, 5th Battalion, Royal West Kent Regiment, seconded.

IX.—PUBLIC WORKS.

25. The programme of the Public Works Department was considerably hindered by the War; nevertheless certain new works were put in hand and a considerable amount of repair work was accomplished.

The most important work of the year was the building of the cable station and quarters, occupying nearly the whole of the winter months, *i.e.*, from June to October.

Good progress was made on the Stanley Town Hall.

The wireless station was thoroughly overhauled and a new aerial constructed and erected.

A new mantlet was constructed for the rifle range of the Volunteer Force.

Extensive alterations and repairs were executed in the Colonial Secretary's quarters, the Government House gardener's quarters, and the gaoler's quarters.

X.—CIVIL ESTABLISHMENT.

26. Mr. Claude Forlong Condell arrived in the Colony on the 21st March to assume the duties of Colonial Secretary, Stipendiary Magistrate, and Local Auditor, a post which had been vacant since the 9th September, 1914.

On the 2nd April, Governor Allardyce, C.M.G., left the Colony to take up his appointment as Governor of the Bahamas Islands.

Mr. Condell administered the Government from the 2nd April until the arrival, on the 15th May, of Mr. W. Douglas Young, C.M.G., who was appointed to the Governorship of the Colony in December, 1914.

Dr. F. J. Craddock arrived in the Colony on the 15th May to fill the vacant post of Assistant Colonial Surgeon, and was appointed Acting Colonial Surgeon on the departure on leave of absence, on the 29th June, of Dr. A. H. B. Pearce, Colonial Surgeon.

XI.—GENERAL OBSERVATIONS.

27. In paragraph 10 I have called attention to the extremely satisfactory financial position of the Colony as such. This prosperity is equally visible in the condition of the individual colonists. Living is, it is true, fairly expensive, but the pay of the various classes of artisans and labourers is such that it is in nowise severely felt. A shepherd in the camp districts of the Colony receives from £72 to £80 a year, the farm hand from £60 to £70, and the farm boy from £36 to £48, besides which each receives free housing and mutton. In Stanley skilled labourers (joiners, carpenters, blacksmiths, &c.) receive 1*s.* 1½*d.* an hour, with 1*s.* 8*d.* overtime, and in many cases free housing; the wage for unskilled labour is 9*d.* an hour and 1*s.* 3*d.* overtime. The Falkland Islands might fairly be called the paradise of manual labour. The Colony stands entirely outside the much discussed vicious circle of crime and poverty, happy in being free from both. There is no necessity for any institution in the nature of a "workhouse," and the gaol is almost always empty, except when tenanted by some recalcitrant sailor off a ship in the harbour. The large amount of money available in the pockets of the people is clearly shown by the heavy takings at bazaars, the expenditure at the annual race meeting at Christmas, and on similar occasions. The easy circumstances of the colonists have made it possible for them to show their patriotism by very considerable subscriptions to the various funds connected with the War.

There was little outward sign of the War during 1915, as far as the daily life of the Colony is concerned. A few men left for England to enlist, but the smallness of the population and the necessity for the retention of those engaged in the wool industry make it impossible for the Colony to assist much in the way of providing men. The large quantities of wool and whale oil sent to the United Kingdom were a more important contribution to the present needs of the Empire.

The men engaged in sheep shearing are essentially skilled workmen and get through their work with great rapidity and thoroughness. A good shearer here can clip between 150 and 200 sheep a day with ease. They would be impossible to replace. The shepherds, whose little houses are dotted about the large extent of otherwise unpopulated districts of the camp, each in charge of a large tract of country, are also men who could not be spared.

In Stanley there is a great shortage of labour, so that it is difficult to carry out works of prime necessity, as a large number of the younger men drift away to Patagonia and the south of South America, " the Coast " as it is called here, as to a land of larger opportunities.

I have said that the people here are almost all in easy circumstances ; on the other hand, there is a great want of every elementary comfort and convenience ; money cannot procure what is easily obtainable nowadays in England. There is, to begin with, a great shortage of house accommodation in Stanley, so that there is much overcrowding. There is no water supply, and even in the best houses obtainable there are no bath-rooms or any other commodities such as the cheapest houses in England enjoy. Most of the houses, too, are small, badly planned, and badly built ; the severity of the climate increases the discomfort of living in them.

The remoteness of the Falkland Islands is less marked than in former days. The opening of the Government wireless station in 1912 first brought the Colony into direct touch with the outer world.

The population of the Falkland Islands is intensely loyal, and there is no part of His Majesty's dominions where a speedy and victorious termination to the War is more earnestly desired.

C. F. CONDELL,

Colonial Secretary.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:

ANNUAL.

No.	Colony, &c.	Year.
869	British Solomon Islands	1914–1915
870	Tongan Islands Protectorate	,,
871	Barbados	,,
872	Falkland Islands	1914
873	Uganda	1914–1915
874	British Guiana	,,
875	Mauritius	1914
876	Leeward Islands	1914–1915
877	Trinidad and Tobago	,,
878	Nigeria	1914
879	Cayman Islands	1914–1915
880	St. Lucia	,,
881	East Africa Protectorate	,,
882	Imperial Institute	1914
883	Nyasaland	1914–1915
884	Gilbert and Ellice Islands	,,
885	Weihaiwei	1915
886	Zanzibar	,,
887	Fiji	,,
888	Sierra Leone	,,
889	Turks and Caicos Islands	,,
890	Gambia	,,
891	Trinidad and Tobago	,,
892	Hong Kong	,,
893	Ashanti	,,
894	Gold Coast	,,
895	Malta	1915–1916
896	St. Helena	1915
897	Seychelles	,,
898	Bechuanaland Protectorate	1915–1916
899	Gibraltar	1915
900	Bahamas	1915–1916
901	Swaziland	,,
902	Somaliland	,,
903	Cyprus	,,
904	Ceylon	1915
905	Straits Settlements	,,
906	Grenada	1915–1916

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-Percha.
83	Southern Nigeria	Mineral Survey, 1910
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

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1916.

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No. 938.

FALKLAND ISLANDS.

REPORT FOR 1916.

(For Report for 1915 see No. 907.)

Presented to Parliament by Command of His Majesty.

October, 1917.

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CONTENTS.

		Page
I.	Financial	4
II.	Trade and Industries	6
III.	Education	8
IV.	Government Institutions	9
V.	Judicial	9
VI.	Vital Statistics	9
VII.	Postal Service	10
VIII.	Falkland Islands Volunteers	10
IX.	Public Works	10
X.	General Observations	10

A Sketch Map will be found in the Report for 1914, No. 872. [Cd.7622–63].

No. 938.

FALKLAND ISLANDS.

(For Report for 1915, see No. 907.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Stanley,
12th July, 1917.

SIR,

I have the honour to transmit herewith the Blue Book of the Colony for the year 1916, together with the report thereon prepared by Mr. C. F. Condell, Colonial Secretary.

I have, &c.,
DOUGLAS YOUNG,
Governor.

The Right Honourable
The Secretary of State for the Colonies,
&c., &c., &c.

Colonial Secretary's Office,
Stanley, Falkland Islands,
10th July, 1917.

SIR,

I have the honour to forward herewith the Blue Book of the Colony for the year 1916, and the accompanying Report thereon.

I have, &c.,
C. F. CONDELL,
Colonial Secretary.

To His Excellency,
W. Douglas Young, C.M.G.,
Governor and Commander-in-Chief.

(C409) Wt.47019/1099. 1,000 & 90. 11.17. B.&.F.Ltd. Gp. 11/2.

REPORT ON THE BLUE BOOK OF THE COLONY OF THE FALKLAND ISLANDS FOR THE YEAR 1916.

The Colony of the Falkland Islands consists of the Falkland Islands and Dependencies.

The Falkland Islands proper are two large islands, East Falkland and West Falkland, and a number of small islands. The sole industry of the Falkland Islands is sheep farming, with the exception of a little whaling at New Island, to the west of West Falkland.

The Dependencies of the Falkland Islands are South Georgia, the South Shetland Islands, the South Orkney Islands, the South Sandwich Islands, and Graham's Land.

Whaling is the only industry of the Dependencies, with the exception of small sealing operations in South Georgia; whaling continues throughout the year in South Georgia; consequently there is a settled population of about 1,000 people in that Dependency; in the other Dependencies whaling operations are only undertaken from November to April; during the winter months of the year (May to October) the islands are deserted.

The capital of the Colony and seat of Government is Stanley, situated at the south east of East Falkland.

I.—FINANCIAL.

General Revenue and Expenditure.

1. The ordinary revenue for the year 1916 amounted to £39,106, exceeding that for the previous year by £4,759.

2. The expenditure (including Public Works Extraordinary) for the year 1916 was £24,944, being £14,162 less than the revenue collected during the year, and £8,057 less than the expenditure incurred during the previous year. The surplus balance of £14,162 would have been considerably smaller had not war conditions seriously interfered with the prosecution of public works.

3. The ordinary revenue collected during the year exceeded the estimate by £6,232; the expenditure (including Public Works Extraordinary) was less than the estimate by £7,585.

4. The receipts in respect of import duties on wine, malt, spirits, and tobacco amounted to £6,803, being £540 more than in 1915, and £1,808 in excess of the average receipts for the five years 1911–1915.

5. The receipts in respect of export duties were £12,065 as compared with £6,624 in 1915.

6. At the closing of accounts on the 31st December, 1916, the assets and liabilities of the Colony were as follows:—

	£
Assets	269,920
Liabilities	122,716
Excess of assets	147,204

The following statement shows the surplus of assets at the closing of accounts for the past two years :—

Account.	1915. £	1916. £
Surplus balance	4,307	18,469
Land sales fund	117,591	126,432
Live-stock fund	2,213	2,303
Totals	124,111	147,204

7. The following statement shows the amount invested by the various funds at the closing of accounts during the last two years :—

Fund.	1915. £	1916. £
Land Sales..	117,582	126,155
Savings Bank	74,016	86,016
Currency Commissioners ..	4,138	6,139
Westminster Bank (on deposit) ..	23,016	40,524
Stanley Cemetery..	1,450	—
Totals	220,202	258,834

The amount invested on behalf of the Stanley Cemetery is held by the Trustees of the cemetery and not by the Government.

8. Owing to the unsettled state of the markets it is not considered that any practical purpose would be served by quoting the estimated market value of the stock held by the various funds on the 31st December, 1916.

Currency.

9. British gold, silver, and bronze are current. There is, however, little or no gold in circulation. A Government paper currency was established under an Order in Council of Queen Victoria, dated the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for the year 1910.

The total face value of the currency notes in circulation on 1st January was £10,000. The value of the notes issued during the year was identical with that of those withdrawn and cancelled. There were in circulation at the end of the year 770 five pound, 6,100 one pound, and 200 five shilling notes. The coin reserve at the end of the year, £5,000, was half in the safe of the Commissioners of Currency in the Colony and half in the hands of the Crown Agents on deposit in the London and Westminster Bank, Limited. The total cost of the securities held for the investment portion of the reserve amounted, at the end of the year, to £5,248 13*s.* 5*d.* As the funds in the hands of the Commissioners to form this investment reserve only amounted to £5,000, the balance £248 13*s.* 5*d.* was advanced from the general revenue of the Colony.

There is further a separate "Depreciation Fund." On the 1st January this fund amounted to £388. It was increased during the year, to meet war conditions, to £891. As the income derived during the year from securities held was not sufficient to cover the cost of the investments made and the expenses for management, etc., the balance required, £431, was advanced from General Revenue.

II.—TRADE AND INDUSTRIES.

10. The value of the imports during 1916 was £591,071, and that of the exports £2,053,719, as against £368,272 and £1,576,126 respectively, during 1915.

The following figures give the value of the imports during the years 1915 and 1916 arranged according to the countries of origin :—

Country.	1915. £	1916. £
United Kingdom	229,125	408,957
British Colonies	8,652	17,610
Other Countries	130,495	164,450
Totals	368,272	591,017

Outside the United Kingdom the only countries from which large imports were made were Argentina (£79,675) and Norway (£67,038).

The following figures give details of the exports, arranged according to countries of destination.

Country.	1915. £	1916. £
United Kingdom	1,478,066	1,962,794
British Colonies	—	—
Other Countries	98,060	90,925
Totals..	1,576,126	2,053,719

The £90,925 exported to "Other Countries" is the value of whale oil, etc., exported on ships cleared to Rio de Janeiro but really bound for the United Kingdom, and of whale oil, etc. exported from South Georgia to Buenos Aires, 75 per cent. of which is under guarantee to be re-exported to the United Kingdom.

Attention was drawn last year to the very high trade return of nearly two millions in a Colony of only a little over 3,000 inhabitants. It will be seen from the above figures that the trade return of 1916 amounts to over 2½ millions (£2,644,736). This is, of course, partly due to the very high prices obtained by the chief exports from the Colony, wool, and whale oil.

Whaling and Sealing.

11. The following were the results of the whaling and sealing industries during 1916 :—

Falkland Islands.

1 land factory and 3 whale catchers.

Whales caught, 69 (giving 4,902 barrels oil and 1,014 bags guano).

Value of products, £16,840 (oil, £16,340; bone, *nil*; guano, £500).

South Georgia.

8 land factories; 3 ship factories; 28 whale catchers.

Whales caught, 7,361* (giving 322,777 barrels oil, 7 tons bone, and 84,435 bags guano).

Value of products, £1,011,470 (oil, £975,013, bone, £900, guano, £35,557).

*Caught during 1915–16, between 1st October and 30th September.

South Shetlands.

1 land factory; 10 ship factories; 29 whale catchers.

Whales caught, 4,431* (giving 212,536 barrels oil, 117 tons bone, and 19,966 bags guano).

Value of products, £746,260 (oil, £731,872, bone, £1,530, guano, £12,858).

South Orkneys.

No operations during 1916.

There were, therefore, in all 11,861 whales caught and the total value of the products of the catch amounted to £1,774,570. The export duty paid on this to the General Revenue of the Colony, was only £8,817 (oil, £7,839, guano, £978), or rather less than ½ per cent. of the declared value, which, there is reason to believe, is a good deal less than the real value.

In South Georgia there were further killed 2,906 "seals" (2,867 sea elephants, 25 sea leopards, and 14 Weddell seals), the product of which was 5,337 barrels of oil, valued at £16,011. Of this only 1,576 barrels, value £4,728, would appear to have been actually exported during the year. There is no export duty on "seal" oil. The sealing season extends normally from the 1st January to the 31st August; in 1916 it was extended to the 30th September for special reasons.

Pastoral.

12. The amount standing to the credit of the Stock Fund on the 31st December, 1916, was £2,303, as compared with a total of £2,213 on the 31st December, 1915. The Land Tax produced £606; the expenditure for the year being £516.

The general health of the sheep is excellent, the flocks being practically free from every contagious and infectious disease.

The total number of sheep in the Colony was 689,904, as compared with 690,574 during 1915. The number has therefore remained almost the same in spite of the number of sheep canned during the year and an increase in the demand for mutton.

Over 37,000 sheep were canned, as compared with 36,000 canned during the previous year. For the first time sheep were brought over from the West Falkland for canning, over 13,000 being shipped across from Port Howard to Egg Harbour. The prices given for sheep for canning were as follows:—

For sheep over 45 lbs. in weight (dead weight), 2¼*d.* per lb.

For sheep between 45 and 40 lbs., 1½*d.* per lb.

For sheep under 40 lbs., 3*s.* 6*d.* per head.

The highest price reached by wool was 1*s.* 10½*d.* at the close of the year, as compared with 1*s.* 7*d.* of the previous year.

Five Romney rams of first quality were imported during the year.

The number of cattle in the Colony is 7,561 and their health very good, but new blood is wanted.

The number of horses in the Colony is 3,929. During the year 313 were imported from South America.

There was an increase in the area of land under cultivation, but the summer being, as in the previous year, exceptionally dry the hay crops were light.

* Caught during 1915–16, between 1st October and 30th September.

As an experiment a crop of oaten hay was turned into ensilage; this is the first attempt at making ensilage in the Colony. The experiment was completely successful.

SHIPPING.

13. The number of sailing vessels entered in the Colony during 1916 was 21, with a total tonnage of 26,361, as against 10 with a tonnage of 14,554, in 1915. Two of these were British with a total tonnage of 1926; 11 were Norwegian, 5 Argentine, and 3 Uruguayan.

The number of steam vessels entered was 103, with a total tonnage of 227,193, showing a decrease of 25 in number and 24,173 in tonnage; of this number 65 were British vessels, with a tonnage of 185,677; 28 were Norwegian, 8 Argentine, 1 Chilian, and 1 United States of America.

All the 21 sailing vessels and 47 of the 103 steam vessels were entered in South Georgia.

Shipping Casualties.

14. On the 26th October, 1915, Sir Ernest Shackleton's "Endurance" was crushed in the Weddell Sea. On the 11th March, 1916, the British Whaling Factory s.s. "Horatio" was destroyed by fire at Leith Harbour, South Georgia. On the 4th August the Norwegian s.s. "Montebello" broke loose from a buoy at New Fortune Bay, South Georgia, in a storm, drifted ashore and became a total wreck.

Two vessels registered at Stanley became casualties during the year. The sailing vessel "Kelp" was completely wrecked on the coast of Ireland; the s.s. "Grahamland" was damaged and put into Queenstown.

III.—EDUCATION.

15. There are three schools in the Colony; a Government School and a Roman Catholic School, in Stanley, and a small school supported by the Falkland Islands Company, Limited, in Darwin. The two last do not receive any grant from Government.

The children in the country or "camp" districts are taught by travelling teachers, who have each an allotted beat. During 1916 only three Government travelling teachers, instead of five, were employed on the beats, and the third left for an appointment in South Georgia in October. It has been found impossible to fill the vacancies at present on account of war conditions. The teachers employed have been moved from one beat to another in order that in no district the children should remain entirely without instruction.

The total number of children under instruction during 1916 was 337 (150 boys and 187 girls), or 14 per cent. of the total population; of these 204 were taught in the Government School or by Government travelling teachers.

The expenditure of the Government School, Stanley, amounted during 1916 to £870, and the revenue to £139; there were 140 children in average attendance, making the cost of upkeep amount to £5 4*s.* 5*d.* per head.

IV.—GOVERNMENT INSTITUTIONS.

16. Twenty-six cases were admitted to the King Edward Memorial Hospital during the year, 15 males and 11 females, 9 of the latter being maternity cases. There were at the end of the year three inmates in the Infirmary section (Victoria Cottage Home), two males and one female.

17. The total amount deposited in the Government Savings Bank increased during the year (1st October, 1915, to 30th September, 1916) from £93,138 (given in last year's Report, in error, as £74,016) to £103,579. Of this amount £86,016 was invested in securities, leaving a balance of £17,563 held on deposit in the Bank of England. There was a profit on the year's transactions of £278.

On the 1st April the Savings Bank was transferred from the Post Office to the Treasury.

18. The Museum and Public Library have not yet been transferred to their new quarters in the Town Hall.

V.—JUDICIAL.

19. During the year one case was heard before the Prize Court, *i.e.*, that of the s.s. "Edna."

VI.—VITAL STATISTICS.

20. In 1916 the total recorded number of births was 52, of deaths, 23, and of marriages, 29; as compared with 46, 28, and 16 respectively in 1915.

The birth-rate per thousand during 1916 was 16·14, and the death-rate 7·14 (13·37 and 8·13 in 1915). The estimated population of the Colony (inclusive of South Georgia) on the 31st December, 1916, amounted to 3,220, of which 2,267 were males and 953 females.

Health.

21. This has been considerably better than in 1915. In the early months of the year there was a moderately severe epidemic of influenza in Stanley. This was possibly imported from Punta Arenas as the first cases were patients who had an opportunity of direct contact with those on board a ship carrying a cargo of horses imported from Patagonia, where influenza was at that time very prevalent. Fortunately no deaths occurred. The symptoms were the same in nearly all cases, severe headache, epistaxism, a dry cough, and a high temperature. Practically all the severe cases were adults; the children examined were suffering chiefly from what appeared to be slight colds.

The majority of other cases were intestinal and in nearly every case the patient had to be referred to the Colonial Dentist for treatment before any improvement from drugs or dieting could be hoped for.

VII.—POSTAL SERVICE.

22. The revenue of the Post Office during 1916 was £2,764, being £669 more than the revenue collected during 1915. The expenditure, including the subsidy of £2,500 for the conveyance of mails beyond the limits of the Colony, was £3,864, or £396 less than the expenditure for the previous year.

The monthly mail service of the Pacific Steam Navigation Company, in spite of war conditions, was fairly regular throughout 1916. The Company receives £5,000 a year for the mail service, the Colony paying half.

The Falkland Islands are within the Postal Union as regards rates of postage.

Money orders to the value of £11,287 were issued on the United Kingdom, and £171 on other places, as compared with £10,923 and £175, respectively, during 1915.

The total number of letters and other postal packages handled during 1916 is estimated to be 153,909, as compared with 170,115 in 1915.

The total expenditure on the maintenance of the telephone system, inclusive of salaries, amounted, during the year, to £276. There was also a further expenditure, reconstruction of the line to Cape Pembroke lighthouse, of £78. The revenue from the telephone service was £133. Some 28 miles of line (private, Stanley-Teal inlet) were opened during the year, so that at the end of 1916 there were in all about 150 miles of line open.

VIII.—FALKLAND ISLANDS VOLUNTEERS.

23. The Volunteer Force remained throughout the year on active service, although certain members of the Force were permitted to resume their civil occupations, subject to any further call that might be made on their services.

IX.—PUBLIC WORKS.

24. Owing to war conditions no public works of any importance were undertaken during the year.

X.—GENERAL OBSERVATIONS.

25. There were no changes of any importance in the Civil Establishment of the Colony during the year.

On the 31st May, Sir Ernest Shackleton arrived unexpectedly at Port Stanley in a whale catcher, the "Southern Sky," of the Southern Whaling and Sealing Company, from South Georgia. His ship, the "Endurance," had been crushed in the ice in the Weddell Sea on the 26th October, 1915, and the whole of the exploring party and the crew had made their way, after many hardships, to Elephant Island. There Sir Ernest had left all except five men, with whom he had managed to reach King Haakon Bay, on the uninhabited south-west coast of South Georgia in an open boat. With two of the five, Captain Worsley

and Petty Officer Cream, he had then crossed South Georgia on foot to Stromness Bay on the north east coast. This is the first time the interior of the Dependency of South Georgia has been crossed from sea to sea. On the 17th June, Sir Ernest left Stanley in the Uruguayan steam trawler, "Institutor de Pesca," to attempt the rescue of the men left on Elephant Island. Every preparation, which the small resources of the Colony permitted, was meanwhile made for the reception of the rescued men, and it was a deep disappointment to the Colonists to see the relief expedition return unsuccessful. A second attempt in the Chilian schooner, "Emma," likewise proved fruitless. Sir Ernest then left for Punta Arenas in the mail and from there managed, in the Chilian "Yelcho" to reach Elephant Island and to bring back the whole party without a single life being lost. It was a further disappointment to the inhabitants of the Falkland Islands not to be able to share in the rejoicings at the eventual relief of those for whose position they had felt the most intense sympathy.

As in 1915, there was, in 1916, little outward sign of the War in the Falkland Islands beyond that of a marked rise in the cost of several commodities. The financial position of the Colony, the chief exports of which, whale oil and wool, realized record prices in the United Kingdom, remained excellent. The cablegrams posted daily outside the Colonial Secretary's office are followed by the inhabitants with the greatest interest and with an absolute conviction, whatever the news of the day, of the ultimate triumph of His Majesty's forces on sea and land.

C. F. Condell,

Colonial Secretary.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
901	Swaziland	1915–1916
902	Somaliland	"
903	Cyprus	"
904	Ceylon	1915
905	Straits Settlements	"
906	Grenada	1915–1916
907	Falkland Islands	1915
908	Bermuda	"
909	Jamaica	1915–1916
910	British Guiana	1915
911	Basutoland	1915–1916
912	Barbados	"
913	Leeward Islands	"
914	Uganda	"
915	British Honduras	1915
916	Mauritius	"
917	Northern Territories of the Gold Coast	"
918	St. Lucia	1915–1916
919	Nyasaland	"
920	Nigeria	1915
921	East Africa Protectorate	1915–1916
922	Gilbert and Ellice Islands	"
923	Hong Kong	1916
924	Weihaiwei	"
925	Zanzibar	"
926	Fiji	"
927	Turks and Caicos Islands	"
928	Cayman Islands	1915–1916
929	Seychelles	1916
930	Trinidad and Tobago	"
931	Gibraltar	"
932	Bahamas	1916–1917
933	St. Helena	1916
934	Ceylon	"
935	Malta	1916–1917
936	Gambia	1916
937	British Guiana	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-Percha
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement

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COLONIAL REPORTS—ANNUAL.

No. 963.

FALKLAND ISLANDS.

REPORT FOR 1917.

(For Report for 1916 see No. 938.)

Presented to Parliament by Command of His Majesty.

September, 1918.

LONDON:
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No. 963.

FALKLAND ISLANDS.

(For Report for 1916, see No. 938.)

REPORT ON THE BLUE BOOK OF THE COLONY OF THE FALKLAND ISLANDS FOR THE YEAR 1917.*

The Colony of the Falkland Islands consists of the Falkland Islands and Dependencies.

The Falkland Islands proper are two large islands, East Falkland and West Falkland, and a number of small islands. The sole industry of the Falkland Islands is sheep farming.

The Dependencies of the Falkland Islands are South Georgia, the South Shetland Islands, the South Orkney Islands, the South Sandwich Islands, and Graham's Land.

Whaling is the only industry of the Dependencies, with the exception of a little sealing in the waters of South Georgia; whaling continues throughout the year in South Georgia, consequently there is a settled population of about 1,000 people in that Dependency; in the other Dependencies there is no whaling in the winter months of the year, all operations being conducted between November and April; during the winter the Islands are deserted.

The capital of the Colony and seat of Government is Stanley, situated at the east of East Falkland.

I.—FINANCIAL.

General Revenue and Expenditure.

1. The ordinary revenue for the year 1917 amounted to £36,491, being less than that for the previous year by £2,615.

2. The expenditure (including Public Works Extraordinary) for the year 1917 was £29,386, being £7,105 less than the revenue collected during the year, and £4,392 more than the expenditure incurred during the previous year. This increase is due to a contribution of one tenth of the Customs Revenue to Imperial Funds in connection with the War and to the gift of an aeroplane.

3. The ordinary revenue collected during the year exceeded the estimate by £4,810; the expenditure (including Public Works Extraordinary) was less than the estimate by £1,445.

4. At the closing of accounts on the 31st December, 1917, the assets and liabilities of the Colony were as follows:—

Assets	£294,921
Liabilities	131,815
Excess of Assets	163,106

*A Sketch Map will be found in the Report for 1914, No. 872. [Cd. 7622-68.]

(C487) Wt.11/42. 1000/90. 9.18. B.&F.Ltd. Gp. 11/2.

The following statement shows the surplus of assets at the closing of accounts for the past two years :—

Account.	1916. £	1917. £
Surplus Balance	18,469	25,573
Land Sales Fund	126,432	134,925
Livestock Fund	2,303	2,608
Totals	£147,204	£163,016

5. The following statement shows the amount invested by the various funds at the closing of accounts during the last two years :—

Fund.	1916. £	1917. £
Land Sales	126,155	134,753
Savings Bank	86,016	86,016
Surplus Fund	—	23,750
Currency Commissioners	6,139	6,891
Westminster Bank (deposit) ..	40,524	22,163
Advances at Call	—	9,000
Totals	£258,834	£282,573

6. Owing to the unsettled state of the markets it is not considered that any practical purpose would be served by quoting the estimated market value of the stock held by the various funds on the 31st December, 1917.

Currency.

7. British gold, silver, and bronze are current. There is however little or no gold in circulation. A Government paper currency was established under an Order in Council of Queen Victoria dated the 7th March, 1899. Details of the conditions under which notes are issued will be found in the Report on the Blue Book for the year 1910.

The total face value of the currency notes in circulation on the 1st January was £10,000, the note issue being increased during the year to £12,000. There were in circulation at the end of the year 924 five pound, 7,318 one pound, and 168 five shilling notes. The coin reserve at the end of the year, £6,000, was divided into two portions, £2,500 being in the safe of the Commissioners of Currency and £3,500 in the hands of the Crown Agents. The total cost of the securities held for the investment portion of the reserve amounted at the end of the year to £6,000.

There is a separate Depreciation Fund amounting to £891.

II.—TRADE AND INDUSTRIES.

8. The value of imports during 1917 was £1,256,906, and of the exports £1,870,9 s against £591,071 and £2,053,719 respectively during 1916.

The following figures give the value of the imports during the years 1916 and 1917 arranged according to the countries of origin :—

Country	1916. £	1917. £
United Kingdom	408,957	681,603
British Colonies	17,610	89,088
Other Countries	164,450	486,215
Totals	£591,017	£1,256,906*

* Increase due to high price of imported coal.

The following figures give details of the exports, arranged according to countries of destination :—

Country.	1916. £	1917. £
United Kingdom	1,962,794	1,777,487
British Colonies	—	—
Other Countries	90,925	93,416
Totals	£2,053,719	£1,870,903

Whaling and Sealing.

9. The following were the results of the whaling and sealing industries during 1917 :—

Falkland Islands.

No operations during 1917.

South Georgia.

Six land factories ; 2 ship factories ; 29 catchers.

Whales caught, 5,513 (giving 268,327 barrels of oil, 31 tons of bone, and 970 tons of guano).

Value of products, £1,015,091 (oil, £1,010,740, bone, £1,750, guano, £2,601).

South Shetlands and Graham's Land.

Four ship factories ; 12 catchers.

Whales caught, 2,003 (giving 92,760 barrels of oil).

Value of products, £479,260.

South Orkneys.

No operations during 1917.

There were, therefore, in all 7,516 whales caught and the total value of the products of the catch amounted to £1,512,351, as compared with a total of whales caught in 1916 of 11,861, yielding products the total value of which amounted to £1,744,570. (***N.B.*** For further information on the whaling industry of the Colony and Dependencies see "General Observations.")

In South Georgia there were further killed 3,018 seals (2,941 sea elephants and 77 sea leopards), the product of which was 5,297 barrels of oil, valued at £26,435.

The sealing season in South Georgia extends normally from the 1st January to the 31st August ; in 1917, as in 1916, it was extended to the 30th September for special reasons.

Pastoral.

10. The amount standing to the credit of the Stock Fund on the 31st December, 1917, was £2,608, as compared with a total of £2,303 on the 31st December, 1916. The Land Tax produced £600, the expenditure for the year being £301.

The general health of the sheep continues to be very good, the flocks being practically free from every infectious and contagious disease.

The total number of sheep in the Colony was 696,975, as compared with 689,904 during 1916. The number therefore has slightly increased in spite of the increased number of sheep canned during the season.

Over 42,000 sheep were canned, as compared with a total of 37,000 in 1916. The prices given for sheep for canning were as follows :—

For sheep over 45 lb. in weight (dead weight), 2¼*d.* a lb.

For sheep between 45 and 40 lbs., 1½*d.* a lb.

For sheep under 40 lbs., 3*s.* 6*d.* a head.

The highest recorded price received for wool at the close of the year was 2*s.* 7½*d.* a lb. This is the highest price ever known to have been received for Falkland Islands wool and is over one shilling in advance of the highest price obtained during the year 1916.

Since the last report 31 Romney Marsh rams and 21 Cheviot rams have been imported.

The number of cattle in the Colony is 6,844 ; their health continues to be good.

The number of horses in the Colony was 2,653. During the period reported upon, 49 horses were imported from South America and 3 Welsh studs.

The area of land under cultivation was increased and the crops obtained were encouraging.

Shipping.

11. During the year 1917 12 sailing vessels were entered in the Colony, with a total tonnage of 16,005, as compared with 21 in 1916 with a total tonnage of 26,361. Only one of these vessels was British, her tonnage being 2,324.

The number of steam vessels entered was 59 with a total tonnage of 117,127, as compared with 103 in 1916 with a total tonnage of 227,193. Of the above 59 vessels entered 32 were British, with a tonnage of 89,984.

Shipping Casualties.

12. The only casualty occurring in the waters of the Falkland Islands was the total loss of the cutter " Magallanes," at Low Bay, Lafonia, East Falkland, owing to heavy weather. The cutter was at anchor at the time in Low Bay, and no lives were lost.

In South Georgia minor casualties were reported in respect of the sailing vessel " Derwent," on the 2nd March, 1917, and of the s.s. " Samoa " on the 30th June, 1917.

III.—EDUCATION.

13. There are three schools in the Colony ; a Government School and a Roman Catholic School in Stanley, and a small School supported by the Falkland Islands Company, Limited, in Darwin. The two last do not receive any grant from the Government.

The children in the country or " camp " districts are taught by travelling teachers, who have each an allotted beat. During 1917 only two Government travelling teachers, instead of five, were employed on the beats. It has been found impossible to fill the vacancies on account of war conditions.

The total number of children under instruction during 1917 was 350 (169 boys and 181 girls); of these 199 were taught in the Government School or by Government travelling teachers.

The expenditure of the Government School, Stanley, amounted during 1917 to £870, and the revenue to £145; there were 140 children in average attendance, making the cost of upkeep amount to £5 4*s.* 5*d.* per head.

IV.—GOVERNMENT INSTITUTIONS.

14. Twenty-one cases were admitted to the King Edward VII Memorial Hospital, 12 males and 9 females, 5 of the latter being maternity cases. There were at the end of the year three inmates of the infirmary section (Victoria Cottage Home), two males and one female.

15. The total amount deposited in the Government Savings Bank increased during the year (1st October, 1916, to 30th September, 1917) from £103,579 to £112,896. Of this amount £86,016 was invested in securities, leaving a balance of £26,880 held on deposit in the Bank of England. There was a profit on the year's transactions of £417.

16. The Museum and Public Library have been transferred to their new quarters in the Town Hall but have not yet been re-opened.

V.—JUDICIAL.

17. There was no sitting of the Supreme Court during the year, either for the purpose of hearing prize cases or otherwise.

VI.—VITAL STATISTICS.

18. In 1917 the total recorded number of births was 61, of deaths 16, and of marriages 17, as compared with 52, 23, and 29 respectively in 1916.

The birth-rate per thousand during 1917 was 18·82, and the death-rate 4·93, as compared with rates of 16·14 and 7·14 respectively in 1916. The estimated population of the Colony (including South Georgia) on the 31st December, 1917, was 3,241, of which 2,264 were males and 972 females.

Health.

19. The general health of the Colony was excellent; better than during the two previous years.

VII.—POSTAL SERVICE.

20. The revenue of the Post Office during 1917 was £1,102, being £1,562 less than the revenue collected during 1916. This falling off in the revenue is mainly due to the dislocation of the mail service and the consequently smaller number of mails received and despatched. The expenditure, including an amount of £2,344 paid as subsidy for the carriage of mails beyond the limits of the Colony, was £4,048, being £184 more than the expenditure incurred during 1916.

The mail contract with the Pacific Steam Navigation Company terminated on the 7th September, 1917. The mail service received

by the Colony was necessarily extremely irregular and very considerable periods often elapsed between the arrivals of vessels in the Colony.

The Falkland Islands are within the Postal Union as regards rates of postage.

Money Orders to the value of £7,173 were issued on the United Kingdom and elsewhere, as compared with a total of £11,458 during 1916.

The total number of letters and other postal packages handled during 1917 is estimated at 103,573, as compared with 153,909 in 1916.

VIII.—FALKLAND ISLANDS VOLUNTEERS.

21. The Volunteer Force remained throughout the year on active service, although certain members of the Force were permitted to resume their civil occupations, subject to any further call that might be made on their services.

IX.—PUBLIC WORKS.

22. Owing to the War no public works of any importance were undertaken during the year. The completion of the Town Hall permitted of the removal thereto of the Treasury, Post Office, Court House, &c., as also of the Museum and Public Library, as mentioned above.

X.—GENERAL OBSERVATIONS.

23. Although somewhat outside the scope of the usual Annual Report on the Blue Book a few general observations on the whaling industry of the Colony and its Dependencies, not confined altogether to the past year, may be of interest at the present time when two distinct questions on which they bear, the protection of the whale and the development of the resources of the Empire, are receiving special consideration at home.

24. The number of whales captured in southern waters in 1906 is stated in an Annual Report of the Board of Agriculture and Fisheries to have been 183 in all. It is from that period that the whaling industry of the Falkland Islands and its Dependencies may be said to have started. In the year 1900 the Falkland Islands Government had advertised in the Official Gazette that it was prepared to grant a mining and general lease of South Georgia for a term of 21 years (renewable) to any responsible individual or company on certain stated conditions. Some correspondence led to the formation at Punta Arenas, Chile, of a company with the title of the South Georgia Exploration Company, Limited, to which the island of South Georgia was, in July, 1905, leased for a preliminary period of two years at a nominal rent of £1 per annum, with a view to a more definite arrangement later on. The Company also took out a sealing licence for South Georgia at £10.

25. The South Georgia Exploration Company, Limited, was an almost entirely British Company, the shareholders being "small" men, British shepherds of Patagonia, who invested their savings in the enterprise, raising in all a capital of some £3,000. There was quite an Elizabethan flavour about the whole adventure and their

early undertakings read almost like an extract from the pages of Hakluyt, or an account of the landing of Captain Smith in St. Kitts some centuries earlier. They chartered a small sailing vessel, the "Consort," and some of their number embarked at Punta Arenas; then, after touching at the Falkland Islands to get their lease signed up, they made their way to South Georgia. After trying several bays which they found unsuitable, they reached one "with about 7 acres of good grass land, flatter than any we had seen as yet, so we at once landed our ewes, 24 in all, 3 mares, and one stud horse, all of which were able to walk on top of the snow and eat grass (which is through the snow)."

26. On the 11th March, 1905, the Buenos Aires "Nacion" published a short account of the formation of a Whaling and Sealing Company, the Compañia Argentina de Pesca, in that city. This Company was promoted by Captain C. A. Larsen, who had commanded the "Antarctica," lost on the 1902 Swedish Expedition to the South Pole. Captain Larsen had a long experience of whaling work in Norway as well as a thorough knowledge of the Southern Seas and he easily found a number of influential capitalists to back the undertaking. The initial capital of the Company was some £40,000. In March, 1905, the "Nacion" was able to announce that the enterprise had started well, that 51 whales had been caught in less than a month, and that the first-fruits, in the shape of 200 tons of oil, had just reached Buenos Aires. This Company made its working headquarters at Cumberland Bay, in South Georgia, and the Falkland Islands Government issued a lease of the Station, the first whaling lease, to the Compañia Argentina de Pesca, to date from the 1st January, 1906.

27. The promoters of the Exploration Company were soon convinced that their original project of sheep-farming and mining in South Georgia was impracticable and they therefore decided to follow the example of the Argentine Company and devote their energies to whaling and sealing. With this end in view they applied for and obtained from the Falkland Islands Government, in December, 1907, the first whaling licence issued.

28. The little Company now found that for the new enterprise they required more capital, and the shareholders tried to raise it. They should have had no difficulty, but the strong financial interests behind their rivals made all their endeavours a failure and they were eventually obliged to sell their rights and title to a Norwegian firm, Messrs. Bryde & Dahl, for £1,500.

29. From this time the growth of the whaling industry at South Georgia was rapid, and leases have been granted to the following companies:—

(1) The Compañia Argentina de Pesca (at Grytviken).
(2) Messrs. Bryde & Dahl (Godt Hull Harbour, Cape George).
(3) The Tönsberg Company (at Husvik Harbour).
(4) The Sandefjord Company (at Stromness Bay).
(5) The Ocean Company (at New Fortune Bay).
(6) Messrs. Salvesen & Co. (at Leith Harbour).
(7) The South Georgia Company (at Allardyce Harbour).
(8) The Southern Whaling & Sealing Company (at Prince Olaf Harbour, Possession Bay).

Only the last three (6), (7), and (8) are British Companies, two being under the ownership of Messrs. Salvesen & Co., of Leith, and the third belonging to Messrs. Irvin, of South Shields. All the above Companies, with the exception of Messrs. Bryde & Dahl, have land factories, the two Salvesen Companies sharing one factory; there are thus six land factories in South Georgia. The leases are for a period of twenty-one years at an annual rental of £250, this sum giving the Company, except in the case of the Argentine de Pesca, the right to use two catchers in connection with the factory. For a further sum of £100 a licence may be issued granting the use of a third catcher. Immediately before the war only Messrs. Bryde & Dahl, the Sandefjord and the Tönsberg Companies were using third catchers; at present the situation is abnormal, and extra catchers have been authorised in accordance with the necessities of actual conditions. The Argentina de Pesca, the oldest Company, is in a slightly different position; in addition to the lease at Grytviken for £250 it also leases Jason Harbour, near by, for £100 (an 18 years lease to terminate with the main lease), and is allowed to use in all four catchers.

30. The success of the early operations of the South Georgia Companies led to an almost immediate establishment of similar Whaling Companies in other Dependencies of the Falkland Islands and in the Colony itself.

31. In 1914–15 the following Companies were licensed:—

(a) *South Shetlands and Graham's Land.*

(1) Hektor, 1 land factory (lease) at Port Foster, Deception Island, 2 floating factories, 5 catchers.
(2) Odd, 1 floating factory, 3 catchers.
(3) Sociedad Ballenera de Magallanes, 1 floating factory, 3 catchers.
(4) Laboremus, 1 floating factory, 3 catchers.
(5) Hvalen, 2 floating factories, 3 catchers.
(6) Southern, 1 floating factory, 3 catchers.
(7) Norge, 1 floating factory, 3 catchers.
(8) Salvesen, 2 floating factories, 3 catchers.
(9) Ornen, 1 floating factory, 3 catchers.
(10) Nor, 1 floating factory, 3 catchers.

(b) *South Orkneys.*

(1) Rethval } jointly, 1 floating factory, 3 catchers.
(2) Thule }
(3) Hektor, 1 floating factory, 2 catchers.
(4) Normanna, 1 floating factory, 2 catchers.

(c) *Sandwich Group.*

Nil.

(d) *Falkland Islands.*

(1) New Whaling Company (Salvesen), Land Factory and 4 catchers.

32. A licence for the South Shetlands, including Graham's Land, or for the South Orkneys, costs £200 per annum, and gives the Company the right to use 2 floating factories and 2 catchers, while for another £100 a third catcher, if approved by the Governor in Council, may also be employed. The Hektor Company holds the only lease in the South Shetlands, and under this lease it may use its shore station (at Port Foster, Deception Island), one factory and two catchers.

Since the beginning of the War whaling has entirely ceased in the Colony and in the South Orkneys and the number of factories and catchers visiting the South Shetlands has been greatly diminished.

33. In South Georgia whaling continues all the year round, but about five-sixths of the whales killed are caught in the Southern Summer, November to May. The South Shetlands season lasts some four to five months; in normal times the boats touch at Stanley, going south in early November and repass there on their voyage north in April. The Orkney season is shorter on account of the more severe weather conditions prevailing in that Dependency. Both are entirely abandoned during the Southern Winter. The Sandwich group would appear to be of most forbidding aspect. It was visited in 1908 by an exploring expedition under Captain C. A. Larsen of the Compañia Argentina de Pesca. Various landings on the group were made or attempted. In places the whole air was contaminated with hot sulphur fumes to such an extent that according to Captain Larsen "no one could stay there long without being poisoned." In most parts the sea broke against walls of rock. No harbours suitable for whaling stations were found. In view of Captain Larsen's report it is not surprising that, although applications for licences have been received, no organised whaling operations have been undertaken at this most unattractive group of islands.

34. With the growth of the whaling industry Ordinances have been passed in the Colony and Regulations made with a view to controlling the operations of the Whaling Companies. These Regulations have in view not only the laying down of the numbers of factories which may be licensed, the number of catchers they may employ, and the fees to be paid, but also the prevention of waste, by exacting pressure boilers capable of utilising the whole carcass, and the protection of the whale, by the forbidding of the killing of any whale calf or any female whale when accompanied by a calf.

35. The passing of such legislation has of course necessitated the appointment of officers to see that it is effective. A Stipendiary Magistrate, also Deputy Collector of Customs, is permanently established in South Georgia, at King Edward Cove, with two or three assistants. Each year a Government Officer is sent down to Deception Island, South Shetlands, for the whaling season, going and returning on one of the vessels of the fleet. When there are any ships for the South Orkneys another officer is sent down there in a similar manner.

36. With the exception of the Compañia Argentina de Pesca (Argentine), and the three Companies of Messrs. Salvesen and the one of Messrs. Irvin (British), all the whaling companies now operating in the waters of the Colony and its Dependencies are Norwegian, and the non-British character of the whaling industry is marked by the fact that the employés of all the Companies, British and Argentine, as well as Norwegian, are almost without exception Norwegians.

37. Whaling, all over the world, may be said to have passed through different periods of nationality. From the 10th to the 16th century the whalers were chiefly seamen from the Basque provinces. Early in the 17th century the English endeavoured to obtain a monopoly of the whaling off Greenland and Spitzbergen, but later this fell largely into the hands of the Dutch, and, to a lesser extent, of the Germans. About the middle of the 18th century, stimulated by a bounty of

40*s.* per ton on the burden of the ships employed, the British industry revived and before the end of the century there were over 250 British ships engaged in the trade, sailing mostly from Peterhead and Dundee, commanded by British captains and manned by British seamen. In 1824 the bounty was withdrawn; since then British participation in the industry has decreased almost to vanishing point. There is no doubt but that at present the Norwegians are the most expert whalers, and before any true revival of this once important British industry can take place British seamen must study in the Norwegian school.

C. F. CONDELL,

Colonial Secretary.

13th May, 1918.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
929	Seychelles	1916
930	Trinidad and Tobago	"
931	Gibraltar	"
932	Bahamas	1916–1917
933	St. Helena	1916
934	Ceylon	"
935	Malta	1916–1917
936	Gambia	1916
937	British Guiana	"
938	Falkland Islands	"
939	Sierra Leone	"
940	Straits Settlements	"
941	Cyprus	1916–1917
942	Grenada	"
943	Jamaica	"
944	Somaliland	"
945	Swaziland	"
946	Nigeria	1916
947	Basutoland	1916–1917
948	Gold Coast	1916
949	Ashanti	"
950	Bechuanaland Protectorate	1916–1917
951	Barbados	"
952	Leeward Islands	"
953	St. Vincent	"
954	Uganda	"
955	Nyasaland	"
956	Northern Territories of the Gold Coast	1916
957	British Honduras	"
958	Gilbert and Ellice Islands	1916–1917
959	Cayman Islands	"
960	Bermuda	1916
961	Mauritius	"
962	Ashanti	1917

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
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FALKLAND ISLANDS.

REPORT FOR 1918.

(For Report for 1917 see No. 963.)

Presented to Parliament by Command of His Majesty.

December, 1919.

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No. 1017.

FALKLAND ISLANDS.

(For Report for 1917, see No. 963.)

ANNUAL GENERAL REPORT ON THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1918.*

Historical and Geographical Note.

The early history of the Falkland Islands, as they are now known, is shrouded in uncertainty. It has been said that one Americus Vespucius as early as 1502 sighted the islands and that in 1519 Magellan on his trip round the world also sighted the islands, but there is only evidence of a fragmentary nature to support these statements. Similarly the existence of a chart dated 1527 shewing islands, in or about the latitude of the Falkland Islands, called Ascension Islands, is not by any means conclusive evidence that the actual islands were known at that time. However, in 1592 the islands were definitely located by Captain John Davis of the "Desire," and in 1594 they were visited by Sir Richard Hawkins who, in compliment to his Sovereign, named them "Maiden Land."

The name "Falkland" was first used in 1690 when the islands were visited by Captain Strong of the "Welfare," and is in compliment to the then Treasurer of the Navy. Various visits were made to the islands thereafter and a French name was conferred upon them, "Les Isles Malouines," which name remains to-day in the "Islas Malvinas" of the Spanish American peoples. No attempt at colonisation of the country was made, however, until 1764 when an expedition under de Bougainville landed at Port Royal, afterwards and to this day known as Port Louis, after the French Monarch, in Berkeley Sound, East Falkland, but in 1766 the French interests in the Colony were purchased by Spain. In the following year Commodore John Byron landed on the West Falkland and endeavoured to form a garrison there. The British were, however, replaced by the Spaniards in 1770, but returned in 1771, and ceased to occupy the Colony for the time being in 1774. No formal occupation of the country seems to have taken place until 1820, when the Republic of Buenos Aires established a temporary settlement in the islands, the settlement being broken up in 1831 by the United States of America. In 1833 the Colony was definitely taken possession of by the British and was constituted a British Colony, with headquarters at Port Louis. From this date until 1842 the islands were under the control of the naval officers in charge of the work of surveying the waters in this vicinity. In 1842 a civil administration was formed, the capital remaining at Port Louis until 1844 when it was removed to the south shore of the inner harbour of Port William, and the chief settlement of the islands there sprang up under the name of Stanley. Since that time the Colony has been administered by a Governor

*A Sketch Map will be found in the Report for 1914, No. 872. [Cd. 7622-69.]

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(responsible to the Secretary of State for the Colonies) assisted by an Executive Council. Except in the growth of the town of Stanley by the erection of houses and other buildings it would seem, from a study of writers on the islands during the early years of its civil administration, that the external appearance and conditions of the Colony have altered but little. Larger or smaller settlements have from time to time sprung up throughout the islands, forming headquarters whence the various freeholders and leaseholders prosecute the sheep-farming industry of the Colony, but a perusal of Captain Snow's book, describing the islands and the life of the settlers, leaves one with a curious sense of reality and a feeling that the writer might have been describing the place as it existed five years ago rather than seventy.

The Falkland Islands, consisting of the East Falkland having an area of 3,000 square miles, the West Falkland, about 2,300 square miles and about 100 small islands with a total area of rather over 1,000 square miles, lie in the South Atlantic Ocean between lat. S. 51 and 53 and between long. W. 57 and 62. Thus they are about 480 miles to the north-east of Cape Horn, and 1,000 miles due south of Monte Video.

The Dependencies of the Falkland Islands are designated as follows in Letters Patent given under the Great Seal on the 28th March, 1917:— "All islands and territories whatsoever between the 20th degree of West longitude and the 50th degree of West longitude which are situated south of the 50th parallel of South latitude, and all islands and territories whatsoever between the 50th degree of West longitude and the 80th degree of West longitude which are situated south of the 58th parallel of South latitude." Thus, such islands and territories include South Georgia, South Shetland Islands, South Orkney Islands, South Sandwich Islands, Graham's Land, and the territory extending southwards therefrom to the Pole.

The Falkland Islands in general physical appearance consist of bleak rolling moorland interspersed with outbreaks of grey rock and stone runs. They bear a marked resemblance to some parts of the north-west coast of Scotland and to the Shetland Islands, being, if anything, more bleak and barren than the latter. In some parts of the coast high rock cliffs may be seen but the country can hardly be described as mountainous, the highest peak, Mount Adam, on the West Falkland, only rising to 2,315 feet above sea level. Nevertheless the contour of the country is nowhere flat: long ridges of moorland run from east to west on the East Falkland, and from north to south on the West Falkland, and an inexperienced traveller in the islands will readily be confused at the apparently exact similarity of the ridges over or along which he passes on his journey.

There being no roads outside the limits of Stanley, and the surface soil consisting mainly of soft peat, travelling is difficult and is done entirely on horseback, while produce sent to Stanley for export is all waterborne.

The face of the country is covered, in the main, with a coarse yellowish grass capable of feeding cattle or of maintaining sheep of the "greasy Cross-bred" variety. Although an attempt was made in the early days of the Colony to devote the land to cattle-breeding, sheep-farming is now, and has been for many years, the sole industry

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of the Falkland Islands. Practically the whole country has now been alienated for this purpose, being split up into a number of farms the freeholds of which have been, or are in process of being, purchased from the Crown. Each of such farms, or sections of land, has its headquarters, consisting of the Manager's house, cook-house, wool-sheds, pens, &c., at a settlement situated on the coast at a point convenient for the shipment of produce to Stanley. At other suitable points about the farm may be found small houses occupied by the shepherds of the various sections.

GENERAL OBSERVATIONS.

In a Colony which is so isolated, so sparsely populated, and so far distant from any other part of the Empire it is to be expected that life from year to year should continue in an even and almost uninterrupted course and that one year should appear but little different from that which preceded it. The year 1918 has, however, been marked by an accentuation of isolation as regards the Colony of the Falkland Islands. Steamer communication before the War was regular and frequent enough to satisfy all the requirements of the Colony; but, in consequence of the increasing demands for shipping necessarily made by the Imperial Government, diminished to such an extent that during the year under review, apart from the whaling vessels, the Colony was visited by no more than six vessels, these being cargo boats of the Pacific Steam Navigation Company, and arriving at very irregular intervals.

Written communication between the Colony and the Mother Country has been difficult and exceedingly slow, while the importation of sufficient and suitable foodstuffs for consumption in the Colony has been a matter requiring considerable arrangement and foresight.

As was to be expected the prices of foodstuffs and other articles of common household consumption, already exceedingly high, made considerable advances during the course of the year (*e.g.*, tea in January, 1918, was obtainable at 2*s.* 6*d.* a pound; in December it could not be had for less than 6*s.* a pound; condensed milk—a very necessary commodity owing to the scarcity of fresh milk during many months of the year—in January could be bought for 11*s.* a dozen tins for which 24*s.* had to be paid in December). The rising prices and the comparative scarcity of foodstuffs during the year have combined, in spite of the payment of war bonuses &c., to make living a difficult and serious matter for the generality of the population of the Colony. Partly, perhaps, owing to the difficulty of living in the Falkland Islands, and partly induced by hopes of improvement and by the offer of higher wages in the wider and less fully developed lands of Argentina and Tierra del Fuego there has been throughout 1918 a very noticeable tendency towards emigration from the Colony. The actual official figures for the year are, immigrants 15, emigrants 43, out of a total population of 2,252, but these figures do not adequately represent the tendency which is steadily growing towards emigration to South America and it is possible a very considerable increase in the number of young men leaving the Colony may be looked for as soon as peace conditions render such emigration possible.

The following table gives particulars of the Vital Statistics of the Colony and Dependencies for the years 1917 and 1918.

	1917.	1918.
Estimated Population 31st December ..	3,241 (2,269 M. 972 F.)	3,252 (2,270 M. 982 F.)
Births	61 (31 M. 30 F.)	59 (37 M. 22 F.)
Deaths	16 (7 M. 9 F.)	20 (15 M. 5 F.)
Marriages ..	17	8
Birth rate per 1,000	18·82	18·13
Death rate per 1,000	4·93	6·15
Population per sq. mile	·43	·43

The health of the Colony has continued to be uniformly good. No epidemic of a serious nature has occurred during the year and severe sickness of any kind has been rare.

With regard to the Dependencies the progress of the whaling industry will be noted in due course (*vide infra*, "Annual Progress of Trade, Agriculture, and Industry") but in speaking of labour it may be well to note here that in the Dependency of South Georgia the year was marked by strikes for higher wages occurring on certain of the stations, possibly due in large part to the importation of inferior labour from Monte Video and Buenos Aires. In recent years there have been sporadic and isolated cases of breach of contract and refusal of duty here and there among the whaling stations, but since 1913 no serious labour disturbances have taken place. The staffs of the land stations, the crews of the floating factories and whale catchers, in fact the whole personnel of the whaling industry is almost entirely foreign, as is the greater part of the capital employed in the industry, and it is manifestly a difficult task to maintain order effectively in an isolated and snow-bound island such as South Georgia among a population of a thousand persons composed almost entirely of Norwegian and Argentine sailors and labourers. The late Colonial Secretary, Mr. C. F. Condell (now Commissioner of Montserrat, B.W.I.) paid an official visit to South Georgia in the months of May and June but the main labour disturbances took place after his departure from the Dependency.

It was with profound thankfulness and joy that the inhabitants of the Falkland Islands received the news of the signing of the Armistice with Germany on the 11th November. The people of this Colony have special reason to hold in grateful remembrance the might of Britain's Navy since their deliverance on the 8th December, 1914, and though they have been able to do but little to further the Allied cause, such as they have been able to do they have done willingly and gladly and no hearts beat with more loyalty to the person and throne of His Majesty King George V., with more grateful appreciation and admiration of the heroism and tenacity of His Navy and Army, or with more sincere joy and thankfulness for the happy victory vouchsafed to them.

GOVERNMENT FINANCE.

The totals of ordinary revenue and ordinary expenditure for the last five years are as follows :—

	Revenue.	*Expenditure.*
1914	£33,760	£31,543
1915	£34,347	£31,135
1916	£39,106	£22,320
1917	£36,491	£28,480
1918	£37,472	£24,971

It will be seen from the above figures that the activities of the War have caused no decrease in the ordinary revenue of the Colony.

The totals of ordinary revenue and expenditure for the year 1908 (ten years ago) were £17,775 and £15,685.

The expenditure for the years 1917 and 1918 included payments of £1,440 and £1,450 respectively to the Imperial Government, being 10% of the annual revenue of the Colony derived from Customs Duties and paid as the first and second of ten annual payments made under the provisions of The War Expenses Contribution Ordinance, 1917.

An important change in the taxation of the Colony was given legislative effect during the year but as this change did not come into operation until the 1st January, 1919, and made no difference to the finances of the year under review it is dealt with in a subsequent section of this Report (*vide* "Legislation," *infra*).

There is no Public Debt.

The number of Currency Notes issued under the provisions of an Order of Queen Victoria in Council dated 7th March, 1899, was increased during the year from £12,000 to £15,000. There were in circulation at the end of the year 905 Notes of £5, 10,436 of £1, and 156 of 5*s*., denomination.

The total Assets and Liabilities of the Colony on the 31st December were as follows :—

Assets	£323,766
Liabilities	£140,565
Surplus of Assets	£183,201

ANNUAL PROGRESS OF TRADE, AGRICULTURE, AND INDUSTRY.

(a) *Falkland Islands.*

The sole industry of the Falkland Islands is sheep-farming. Of an estimated acreage of 4,160,000 only about 160 acres are under cultivation. These 160 acres comprise more or less experimental oat-fields. The result so far has been encouraging and it seems probable that more land will from time to time be put under the plough especially on the West Falkland, where conditions are more favourable to the growing of crops than on the East.

The pasture land of the Colony is not rich in food and the average carrying capacity of the land is correspondingly small, and from the nature of the climate only hardy sheep of the greasy Cross-bred variety will thrive in the Colony. From the 1918 returns there were in that year 699,368 sheep in the Falkland Islands, the figure for the year 1917

being 696,975. A canning factory at Goose Green, East Falkland, maintained by the Falkland Islands Company, Limited, attempts with some success to dispose annually of the surplus sheep of the Colony. Of stock other than sheep there were in the Colony in 1918, 3,250 horses and 7,250 cattle.

(b) *Dependencies.*

A full account of the growth and present state of the whaling industry of the Dependencies of the Falkland Islands is given under the heading "General Observations" in the Report on the Blue Book of the Colony for the year 1917, No. 963 [Cd. 8973–12].

For the purposes of the Blue Book and for those of this Report it is considered more convenient to regard the whaling year in the Dependencies as extending from the 1st October to the following 30th September. In South Georgia whaling operations are conducted throughout the year but the whaling year for convenience sake is divided into two so-called seasons, the "summer season" (October to March) and the "winter season" (April to September). Whales are more plentiful and climatic conditions are more favourable, and consequently activities are greater, in the "summer season" than in the "winter season."

In the South Shetlands and other Dependencies, although the licences issued entitle the holder to conduct operations throughout the whaling year (1st October to 30th September following) it is found in practice impossible to hunt the whale for more than six months (November to April) at the outside, and in the case of the South Orkneys, where operations have not been conducted since the 1914–15 season, the period when it is possible to operate is considerably shorter.

A comparison of the whaling operations of the Dependencies during the whaling years 1916–17 and 1917–18 shows the following figures:—

South Georgia.

	1916–1917	1917–1918
Floating factories ..	2	4
Catchers	29	35
Whales caught ..	5,513	3,199
Value of produce ..	£1,015,091	£1,094,736

South Shetlands.

Floating factories ..	4	5
Catchers	12	13
Whales caught ..	2,033	923
*Value of produce ..	£497,260	£396,700

* Estimated. Includes whale oil, baleen, and guano.

In the other dependencies no operations took place during either season.

Sealing operations are also conducted at South Georgia by the Compania Argentina de Pesca. In 1918 the catch was 2,961 seals with an estimated value of £30,685, as compared with 3,201 seals with an estimated value of £26,435 in 1917.

During the War the Regulations formerly enforced to prevent waste in the preparation of the products of the whaling industry have been to some extent relaxed in order to permit of a greater output of oil of certain grades suitable for use in the manufacture of goods required for Imperial purposes.

In view of the signing of the Armistice and the near prospect of peace, these regulations have recently been put into force again as formerly.

(*c*) *General Trade.*

The following table shews the value of the Imports and Exports of the Colony during the years 1917 and 1918.

		1917		1918
Imports from				
United Kingdom	..	£681,603	..	£487,787
British Colonies	..	£89,088	..	£94,964
Other Countries	..	£486,215	..	£357,162
Total		£1,256,906		£939,937
Exports to				
United Kingdom	..	£1,777,487	..	£1,891,409
British Colonies	..	—	..	£350
Other Countries	..	£93,416	..	£162,527
Total		£1,870,903		£2,054,286

In order to gauge the rapid progress of the Colony's trade in recent years it is interesting to compare the above figures with the totals of Imports and Exports recorded for the year 1908 :—

		Imports.	*Exports.*
United Kingdom	..	£65,744	£203,511
British Colonies	..	£150	—
Foreign Countries	..	£7,168	£52,205
		£73,062	£189,972

INVESTIGATION AND DEVELOPMENT OF NATURAL RESOURCES.

Though no definite investigations have yet been made it appears exceedingly probable that after the War steps may be taken for the establishment in South Georgia of a cod-fishery (*Notothenia rossii*). From reports received from the Dependency the fish appears to be plentiful and of a suitable quality and size for export purposes. The Sea Fisheries Ordinance, 1918, was enacted in anticipation of the establishment of such an industry, and a Mining Ordinance, 1918, was enacted at the beginning of the year in view of the probability of increased interest in the mineral resources of the Colony and Dependencies after the War.

BANKING FACILITIES.

There are no Banking facilities in the Colony with the exception of those offered by the Government Savings Bank, instituted under the provisions of the Savings Bank Ordinance, 1888. The accounts of the Government Savings Bank are made up on the 30th September in each year. On the 30th September, 1919, the amount standing to the

credit of the depositors was £125,882 divided among a total of 796 depositors. This figure shews an average for each account of £158, or about £55 10*s.* 0*d.*, per head of the population of the Colony.

The sum of £2,694 was paid as interest at the rate of 2½% per annum on the several deposit accounts. The profit and loss account on the year's transactions shews a profit of £985. After 1918 the profit on each year's transactions will be expended in the purchase of securities to form a Savings Bank Investment Depreciation Fund. Deposits made in the Savings Bank during the year amounted to £28,730, withdrawals during the same period being £18,630.

LEGISLATION.

The main body of the legislation of the Colony during the year 1918 is of a very important nature. Ordinance No. 1 of 1918 "An Ordinance to authorize and regulate Prospecting and Mining," sets at rest any doubts which may have arisen with respect to the extent of the mining rights reserved to the Crown regarding grants or leases of Crown Land in the Colony or its Dependencies, and prescribes the manner in which mineral deposits &c., may be prospected for and the conditions on which such deposits may be worked.

Ordinance No. 5 of 1918 "An Ordinance to provide for a graduated Land Tax," together with the subsidiary and dependent Ordinances Nos. 6 and 7 of 1918, "An Ordinance to repeal the third Schedule (Export Duties) of the Tariff Ordinance, 1900, and to replace the same by an amended Schedule" and "An Ordinance to repeal the Tax on Land under the live Stock Ordinance, 1901," respectively, provide for a very considerable change in the collection of the Colony's revenue.

This fresh legislation, which comes into operation on the 1st January, 1919, removes all export duties levied on the produce of the sheep-farming industry, and substitutes a graduated tax on the acreages of the several grants or leases of land. It further removes the small land tax paid into the Trust fund under the provisions of the Live Stock Ordinance, 1901, and provides for inclusion in the ordinary expenditure of the Colony of all expenses incurred by, or for, the Stock Department.

No. 9 of 1918, "An Ordinance to Regulate the Sea Fisheries," prescribes the conditions under which licences may be issued and fishing operations conducted.

EDUCATION.

There is no higher or secondary education in the Colony. The Government School, Stanley, provides practically free elementary education and is in the charge of a duly certificated schoolmaster and schoolmistress.

The Roman Catholic community in Stanley also conduct an elementary school. This school draws no grant from the Government and is not in any way subject to examination or supervision by Government nominees.

Teaching in the outlying parts of the country is done by travelling teachers, who have certain itineraries assigned to them and make regular visits to the various settlements and shepherds' houses on their

"beat." Of these in normal times the Government employ five (2 on East Falkland and 3 on West Falkland) and the Falkland Islands Company, Limited, two on their own land, Lafonia, on East Falkland. Owing to war conditions it has, however, been found impossible for the Government to fill the vacancies in these posts as they occurred, there being on the 31st December, 1918, only one Government travelling teacher with 19 children under instruction instead of 5 with 90 odd children as in former times. It is hoped, however, that the vacancies caused by the War will shortly be filled and that the education of children in the camp will proceed as before.

Provision is made for the training of pupil teachers at the Government School, Stanley.

CLIMATE.

The climate of the Falkland Islands is healthy but rigorous. To those indisposed to pulmonary or bronchial affections, though seldom pleasant the weather conditions are at least innocuous.

High winds blow almost constantly by day throughout the year and to this may be attributed the almost entire absence of trees in the islands.

There is, however, no scarcity of sunshine, compared with that experienced in the United Kingdom, and were the cold winds less continuous and trying there would be many days when the weather might almost be described as "hot." The difference between one extreme of temperature and the other is not considerable, the thermometer registering between 30° and 50° Fahr. in winter and between 40° and 65° in summer. The rainfall in Stanley for the past few years has averaged about 27 inches per annum, in 1917 being 24·68 and in 1918 27·57, rain falling on 234 days in 1917 and on 240 in 1918. The winter of 1918, from a sheep farmer's point of view, proved to be exceptionally severe. Heavy frosts, followed by long continuing snows and then by severe rains, destroyed to a very large extent the feeding properties of the camp and, as will probably be seen in the Stock Returns for the 1918–19 season, resulted in heavy losses in stock generally and particularly in lambs.

Weather conditions in South Georgia are extremely rigorous in the winter months, but the rainfall there though greater than that recorded in Stanley is confined to fewer days, while in the summer months the climate is probably more tolerable on account of the absence of the high winds experienced throughout the year in Stanley, and also on account of the smaller degree of humidity in the Dependency.

COMMUNICATION.

As has already been stated means of communication with the outer world, and particularly with the United Kingdom, have been very few. Six vessels of the Pacific Steam Navigation Company, cargo boats calling to lift produce, visited the Colony during the year. The infrequency and irregularity of the calls made by these vessels and the fact that they returned to England through the Straits of Magellan, the Panama Canal and via the West Indies and North America, has endered written communication with the United Kingdom extremely difficult. (*vide* "General Observations," *supra*).

Interinsular communication is maintained by the Falkland Islands Transport Company's s.s. "Falkland." Under the terms of the Company's agreement with the Colonial Government the s.s. "Falkland" is supposed to leave Stanley monthly within 72 hours of the arrival of the mail vessel from England, and to call at Fox Bay, which is the mail port for the West Falkland, making periodical calls at other ports according to a schedule agreed upon. Owing to the dislocation of shipping through war conditions, however, the arrangement contemplated by the Interinsular Steamer Communication Agreement, 1916, was altered in 1918 at the request of residents on the West Falkland Islands and with the consent of the contracting parties, and the s.s. "Falkland" now leaves Stanley on her monthly mail trip during the first week in each month, irrespective of the movements of vessels from outside the Colony.

Stanley is connected with Monte Video by a cable. There is a high power Naval Wireless Station in the environs of Stanley and a small installation, worked in conjunction with the high power station, maintains communication with a small Colonial Government wireless station completed at Fox Bay, West Falkland, in November, 1918.

The station at Fox Bay has proved to be of great use and benefit to the residents on the West Falkland and adjacent islands, whose isolation in previous years has been even greater than that of their slightly less unfortunate fellows on the East Falkland.

The erection of this Wireless Telegraph Station has been the only public work of unusual importance undertaken throughout the year.

Telephonic communication between Stanley and the severa stations on the East Falkland, and between the several stations on the West Falkland, has been gradually increasing during the last few years. On the East Falkland, apart from the Stanley system, constituted and owned by the Colonial Government, with some fifty odd subscribers and some ten odd miles in length open for traffic, there are four privately-owned lines run in connection with the Stanley Exchange, viz., running from Stanley to Darwin, to Teal Inlet and Douglas Station, to Fitzroy, and to Port Louis, comprising in all some 150 odd miles of wire. On the West Falkland, Fox Bay, Port Howard, Hill Cove, and Chartres are inter-connected by telephone and there are indications that these stations will shortly be joined up with others.

During the year 1918 the Colonial Government disposed of its half share of the Stanley-Darwin telephone line to the Falkland Islands Company, Limited, at whose joint expense with the Colonial Government, the line had been erected and maintained under an Agreement entered into in the year 1907.

T. N. GODDARD,
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989	Barbados	1917–1918
990	Sierra Leone	1917
991	Straits Settlements	,,
992	Leeward Islands	1917–1918
993	Uganda	,,
994	British Honduras	1917
995	Gilbert and Ellice Islands	1917–1918
996	Nyasaland	,,
997	Basutoland	,,
998	Gold Coast	1917
999	Weihaiwei	1918
1000	Zanzibar	,,
1001	Hong Kong	,,
1002	Somaliland	1917–1918
1003	Cayman Islands	,,
1004	Malta	1918–1919
1005	Seychelles	1918
1006	Fiji	,,
1007	Ceylon	,,
1008	Nigeria	1917
1009	Turks and Caicos Islands	1918
1010	St. Helena	,,
1011	Northern Territories of the Gold Coast	,,
1012	Ashanti	,,
1013	East Africa Protectorate	1917–1918
1014	British Guiana	1918
1015	Bechuanaland Protectorate	1918–1919
1016	Basutoland	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-Percha.
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HISTORICAL AND GEOGRAPHICAL NOTE.

The early history of the Falkland Islands, as they are now known, is shrouded in uncertainty. It has been said that one Americus Vespucius as early as 1502 sighted the islands and that in 1519 Magellan on his trip round the world also sighted the islands, but there is only evidence of a fragmentary nature to support these statements. Similarly the existence of a chart dated 1527 shewing islands, in or about the latitude of the Falkland Islands, called Ascension Islands, is not by any means conclusive evidence that the actual islands were known at that time. However, in 1592 the islands were definitely located by Captain John Davis of the "Desire," and in 1594 they were visited by Sir Richard Hawkins who, in compliment to his Sovereign, named them "Maiden Land."

The name "Falkland" was first used in 1690 when the islands were visited by Captain Strong of the "Welfare," and is in compliment to the then Treasurer of the Navy. Various visits were made to the islands thereafter and a French name was conferred upon them, "Les Isles Malouines," which name remains to-day in the "Islas Malvinas" of the Spanish American peoples. No attempt at colonisation of the country was made, however, until 1764, when an expedition under de Bougainville landed at Port Royal, afterwards and to this day known as Port Louis, after the French Monarch, in Berkeley Sound, East Falkland, but in 1766 the French interests in the Colony were purchased by Spain. In the following year Commodore John Byron landed on the West Falkland and endeavoured to form a garrison there. The British were, however, replaced by the Spaniards in 1770, but returned in 1771, and ceased to occupy the Colony for the time being in 1774. No formal occupation of the country seems to have taken place until 1820, when the Republic of Buenos Aires established a temporary settlement in the islands, the settlement being broken up in 1831 by the United States of America. In 1833 the Colony was definitely taken possession of by the British and was constituted a British Colony, with headquarters at Port Louis. From this date until 1842 the islands were under the control of the naval officers in charge of the work of surveying the waters in this vicinity. In 1842 a civil administration was formed, the capital remaining at Port Louis until 1844, when it was removed to the south shore of the inner harbour of Port William, and the chief settlement of the islands there sprang up under the name of

* A Sketch Map will be found in the Report for 1914, No. 872 (Cd. 7622-63).

Stanley. Since that time the Colony has been administered by a Governor (responsible to the Secretary of State for the Colonies) assisted by an Executive Council. Except in the growth of the town of Stanley by the erection of houses and other buildings it would seem, from a study of writers on the islands during the early years of its civil administration, that the external appearance and conditions of the Colony have altered but little. Larger or smaller settlements have from time to time sprung up throughout the islands, forming headquarters whence the various freeholders and leaseholders prosecute the sheep-farming industry of the Colony, but a perusal of Captain Snow's book, describing the islands and the life of the settlers, leaves one with a curious sense of reality and a feeling that the writer might have been describing the place as it existed five years ago rather than seventy.

The Falkland Islands, consisting of the East Falkland having an area of 3,000 square miles, the West Falkland, about 2,300 square miles, and about 100 small islands with a total area of rather over 1,000 square miles, lie in the South Atlantic Ocean between lat. S. 51 and 53 and between long. W. 57 and 62. Thus they are about 480 miles to the north-east of Cape Horn, and 1,000 miles due south of Monte Video.

The Dependencies of the Falkland Islands are designated as follows in Letters Patent given under the Great Seal on the 28th March, 1917 :—" All islands and territories whatsoever between the 20th degree of West longitude and the 50th degree of West longitude which are situated south of the 50th parallel of South latitude, and all islands and territories whatsoever between the 50th degree of West longitude and the 80th degree of West Longitude which are situated south of the 58th parallel of South latitude." Thus, such islands and territories include South Georgia, South Shetland Islands, South Orkney Islands, South Sandwich Islands, Graham's Land, and the territory extending southwards therefrom to the Pole.

The Falkland Islands in general physical appearance consist of bleak rolling moorland interspersed with outbreaks of grey rock and stone runs. They bear a marked resemblance to some parts of the north-west coast of Scotland and to the Shetland Islands, being, if anything, more bleak and barren than the latter. In some parts of the coast high rock cliffs may be seen, but the country can hardly be described as mountainous, the highest peak, Mount Adam, on the West Falkland, rising to only 2,315 feet above sea level. Nevertheless, the contour of the country is nowhere flat ; long ridges of moorland run from east to west on the East Falkland, and from north to south on the West Falkland, and an inexperienced traveller in the islands will readily be confused at the apparently exact similarity of the ridges over or along which he passes on his journey.

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There being no roads outside the limits of Stanley, and the surface soil consisting mainly of soft peat, travelling is difficult and is done entirely on horseback, while produce sent to Stanley for export is all waterborne.

The face of the country is covered, in the main, with a coarse yellowish grass, capable of feeding cattle or of maintaining sheep of the "greasy Cross-bred" variety. Although an attempt was made in the early days of the Colony to devote the land to cattle-breeding, sheep-farming is now, and has been for many years, the sole industry of the Falkland Islands. Practically the whole country has now been alienated for this purpose, being split up into a number of farms the freeholds of which have been, or are in process of being, purchased from the Crown. Each of such farms, or sections of land, has its headquarters, consisting of the Manager's house, cook-house, wool-sheds, pens, &c., at a settlement situated on the coast at a point convenient for the shipment of produce to Stanley. At other suitable points about the farm may be found small houses occupied by the shepherds of the various sections.

GOVERNMENT FINANCE.

The Revenue of the Colony and its Dependencies for the year amounted to £48,496—an increase of £11,024 over the Revenue of the previous year, while the expenditure exceeded that of 1918, by £640 only.

The excess of Actual Revenue over the Actual Expenditure of the year was £21,586, which amount was added to the Surplus Balance of the Colony.

The Surplus Balance at the 31st December, 1919, amounted to £58,690.

The following is a comparative statement of the Ordinary Revenue and Expenditure for the five years from 1915 to 1919 inclusive :—

	Revenue	Expenditure
	£	£
1915	34,347	 33,001
1916	39,106	 24,944
1917	36,491	 29,386
1918	37,472	 26,270
1919	48,496	 26,910

Of the increase of £11,024 in the Revenue of 1919 over that of 1918, 50 per cent. was due to the proceeds of the Land Tax which was imposed in substitution for the duty on the produce of the Colony.

There is no import duty except on wines, spirits and tobacco ; and no export duty whatever on the produce of the Colony, the Land Tax having been substituted therefor : (vide the Land Tax Ordinance, 1918), while the Export Duty on Whale and Seal Products from the Dependencies was raised as from the 1st October, 1919, to 1s. 6d per barrel of 40 gallons of oil : the duty on Guano of all kinds remaining at 1½d. per every 100 lb. or part thereof.

ASSETS AND LIABILITIES.

The surplus of Assets over Liabilities at the 31st December, 1919, amounted to £212,973, of which £152,002 was represented by the Land Sales Fund.

SAVINGS BANK.

There are no Banking facilities in the Colony with the exception of those offered by the Government Savings Bank, which was instituted under the provisions of the Savings Bank Ordinance, 1888. The financial year of the Savings Bank is from the 1st October to the 30th of the following September.

At the end of the financial year, there were 781 accounts open, with a total of £116,673 2s. 4d., or an average of £149 7s. 9d. per account, or £51 16s. 2d. per head of the population of the Colony.

CURRENCY.

The Currency Note Issue was increased during the year to £18,000, under the provisions of the Currency Order in Council, dated 7th March, 1899 ; the Coin Portion and the Investment Portion of the Note Guarantee Fund each amounting to £9,000 at the 31st December, while the Note Depreciation Fund amounted to £890 15s. 7d.

The Notes in circulation at the 31st December, 1919, amounted to a sum of £18,000, representing the following denominations :

		£
£5 Notes,	1,505	7,525
£1 ,,	10,436	10,436
5s. ,,	156	39
		£18,000

No notes were withdrawn during the year

The market value of the Investments at the 31st December, 1919, was £1,091 lower than the price at which the stocks were bought, and the excess of the Currency Commissioners' Liabilities over Assets amounted to £201.

Current Coins.—The coins current in the Colony are the gold, silver and copper coins of the Realm.

PUBLIC DEBT.

There is no Public Debt.

LEGISLATION.

The Legislation during the year included :—

(1) An Ordinance whereby the Export Duty on Whale Oil was increased from 3½d. to 1s. 6d. per barrel of 40 gallons.

This additional duty will be earmarked for the Research Fund to be instituted in connection with the Dependencies.

(2) An Ordinance to prohibit former Enemy Aliens (*i.e.*, any person who is a citizen or subject of a State with which His Majesty was at any time during the year 1918 at war) landing in the Colony without a permit.

(3) An Ordinance to prohibit the landing in South Georgia and to deport therefrom any alien considered dangerous to the peace and good order of the Dependency.

(4) A Proclamation declaring the end of Active Service for the Falkland Islands Volunteer Corps and reversion to normal Peace Conditions.

EDUCATION.

There is no Higher or Secondary Education in the Colony. *The Government School, Stanley,* provides practically free elementary education, and is in charge of a duly Certificated Schoolmaster and Schoolmistress.

At 31st December, 1919 :—

The number of pupils on the roll was	116
The average attendance during the year was	106

Travelling Teachers.—The Government employed one travelling teacher to tour the West Falkland and impart instruction to the children in the " Camps."

The number of children under instruction during the past three years was as follows :—

1917		1918		1919
49	..	19	..	20

During the last month of the year, four additional Travelling Teachers arrived in the Colony, thus completing the establishment provided for.

St. Mary's Convent School (*Roman Catholic*).—This is an Elementary School with a roll of 101 pupils at the 31st December, 1919, and an average attendance during the year of 95.

Government exercises no supervision or authority over the work of this school, nor is any Government Grant made in support of it.

Falkland Islands Company's School and Camp Teachers.—The number of children receiving instruction at the Company's School at Darwin, and from the Camp Teachers, during the past three years was as follows :—

1917		1918		1919
66	..	63	..	69

The total number of children thus receiving education in the Colony during 1919 amounted to 306, as against 309 in the previous year.

PUBLIC HEALTH.

The health of the Colony has been good, no epidemic of a serious nature having occurred during the year. The following extracts are taken from the Acting Colonial Surgeon's Report for the year :—

" The outstanding features are :—

(1) The rarity of malignant diseases.
(2) The rarity of venereal diseases.
(3) The rarity of all forms of tuberculosis.
(4) Freedom from infectious diseases.
(5) Prevalence of alimentary disorders.

" A great number of children suffer from chronic tonsilitis, and during the first year laryngismus. The latter is attributed to a nervous erethism begotten by close confinement to ill-ventilated rooms."

" The question of inter-marriage is becoming more serious every year, and is slowly but surely imparting the stamp of degeneration on the race."

"There is no such thing as systematic drainage. The only method of discharge is by open gutters which on warm days are very offensive . . . . Yet if we contemplate the influence of winds in the economy of human life, the township of Stanley will find them highly beneficial as they contribute greatly to preserving the health of the people by the dissipation of the noxious exhalations arising from sluggish drains and heaps of putrefying matter."

"Most of the houses are ill-ventilated and are not fitted up with accommodation for hot and cold bathing."

Sixteen patients were admitted during the year to the King Edward Memorial Hospital.

POPULATION AND VITAL STATISTICS.

The following table gives particulars of the Vital Statistics of the Colony and the Dependency of South Georgia for the years 1918 and 1919:—

	1918.	1919.
Estimated Population at 31st December	3,252 (2,270 M.) (982 F.)	3,255 (2,271 M.) (984 F.)
Births	59 (37 M.) (22 F.)	66 (39 M.) (27 M.)
Deaths	20 (15 M.) (5 F.)	27 (21 M.) (6 F.)
Marriages	8	17 .. ..
Birth rate per 1,000	18·13 ..	20·3 ..
Death ,, ,, ...	8·15 ..	8·2 ..
Population per square mile	·43 ..	·43 ..

It must be remembered that of the population of 1,000 in South Georgia only three are females; the birth-rate and the death-rate would be more correctly shown thus:—

	Birth rate per 1,000.	Death rate per 1,000.
Falkland Islands Colony	28·82	8·00
South Georgia	1·00	9·00

Except during the whaling season, there is no population in the South Shetlands; none whatever at the Sandwich Islands; and only four persons are permanently resident in the South Orkneys. These last named are officials of the Argentine Government at the Meteorological Station on Laurie Island.

COMMUNICATION.

(1) *Mails.*—Communication between the Colony and the outside world was limited. Only one mail and five cargo steamers of the Pacific Steam Navigation Company called at Stanley with mails during the year.

The interinsular communication of the Colony was maintained by the Falkland Islands Transport Company s.s. "Falkland," up to the end of the year, when the mail contract between the Government and the Company expired.

(2) *Cables, Telegraphs and Telephones.*—(*a*) Stanley is connected with Monte Video by a cable which is the property of the Admiralty, and is maintained and worked by a staff lent by the Western Telegraph Company.

(*b*) A 150 K.W. Wireless Station at Stanley, the property of the Admiralty, communicates with Cerrito (Monte Video), Ascension, &c.; and with the Government Wireless Telegraph Station at Fox Bay, West Falkland.

(*c*) The Stanley Township system of telephones is owned by the Colonial Government, and linked to it in the East Falkland are four privately-owned telephone lines, viz.: one from Darwin, one from Teal Inlet and Douglas Station, one from Fitzroy, and one from Port Louis South. These four lines cover some 150 miles of country. On the West Falkland practically all the stations are connected by telephone, and news received at Fox Bay by wireless telegraph may thus be disseminated over the Island.

INDUSTRIES.

(1) *Sheep-Farming.*—Practically the only industry in the Colony is sheep-farming. The estimated acreage of the Colony, including its adjacent islands, is 4,160,000 acres, all of which, or as much as can be used for pasture, is devoted to sheep.

The total number of sheep recorded is 645,738, as against 669,996 in the previous year. 21,849 sheep were exported, 23,937 killed for consumption, and 29,472 used in the Canning Factory.

The horses in the Colony numbered 2,486, together with 464 Brood Mares, 261 Foals; and the cattle, 5,406.

(2) *Mutton, Canning and Tallow.*—The Falkland Islands Company owns a factory at Goose Green, Darwin, East Falkland, where the surplus sheep of the Colony are utilised for canned mutton or boiled down for tallow; 12,222 cases of the former and 786 barrels of the latter having been exported during the year to the United Kingdom.

8,112 bales of wool and 1,201 bales of sheep-skins (valued at £322,000) were exported during the year; also 1,254 bales of hides valued at £2,559.

WHALING AND SEALING IN THE DEPENDENCIES.

The Whaling Season at South Georgia is divided into :—

(*a*) The Summer Season : October to March.

(*b*) The Winter Season : April to September. And Whaling is here conducted all the year round owing to the fact that the bases of operation are shore stations on the Island. At South Shetlands, where there is only one shore station, operations are conducted by floating factories and their attendant catchers, and the season extends from November to March only.

During the season 1918–19 the Companies operating numbered :—

	No.	"Catchers" employed.
At South Georgia	5	.. 27
At South Shetlands	6	.. 22
At South Orkneys	—	.. —

The season's work is represented by the following figures :—

	Whales Caught.	Barrels of Oil.	Bags of Guano.	Estimated Market Value.
At South Georgia ..	2,476	131,794	6,676	£1,802,500
At South Shetlands ..	1,763	84,456	—	
At South Orkneys ..	—	—	—	
	4,239	216,250	6,676	

The figures for the season 1917–18 are as follows :—

	Whales Caught.	Barrels of Oil.	Bags of Guano.	Estimated Market Value.
At South Georgia ..	3,199	202,503	994	£1,566,500
At South Shetlands ..	1,114	55,973	—	
At South Orkneys ..	—	—	—	
	4,313	258,476	994	

Though the "catch" of whales in 1918–19 was slightly less than that in 1917–18, 7,000 tons more of oil were produced, and the estimated market value had risen from £36 to £50 per ton and was continuing to rise.

It is estimated that the output from the shore factories at South Georgia is from 15 per cent. to 20 per cent. greater than that from the floating factories at South Shetlands, in proportion to the "catch," the reason being that the shore factories are able to treat the whole carcase of the whale, whereas the floating factories can only deal with the blubber and a small portion of the meat.

SHIPPING.

The tonnage of shipping during the year is represented by the following figures :—

	Steam Vessels.		Sailing Vessels.	
Entered at.	No.	Tonnage.	No.	Tonnage.
Stanley	31	39,094	—	—
Dependencies ..	32	39,161	5	5,567
	63	78,255	5	5,567

	Steam Vessels.		Sailing Vessels.	
Cleared from	No.	Tonnage.	No.	Tonnage.
Stanley	32	39,027	—	—
Dependencies ..	37	40,113	3	3,305
	69	70,140	3	3,305

GENERAL TRADE.

The Imports to and Exports from the Colony and its Dependencies are represented by the following figures :—

IMPORTS.

To	From	
	United Kingdom.	British Colonies and Foreign Countries.
	£	£
Colony	121,649	43,893
South Georgia	600,892	255,847
	£722,541	£299,740
	Total ..	£1,022,281

EXPORTS.

From	To	
	United Kingdom.	British Colonies and Foreign Countries.
	£	£
Colony	401,972	2,540
South Georgia	910,846	137,475
South Shetlands	723,060	—
	£2,035,878	£140,015
	Total ..	£2,175,893

The figures for 1918 are :—

Imports .. £939,937 .. Exports .. £2,054,286

The Imports of the Colony consist of Household Goods and Ship Chandlers' Stores, Hardware, etc.; while those to South Georgia are mostly comprised of Coal, Timber, Hardware, and Machinery, Ship Chandlers' Stores, and Household Goods. The Exports from the Colony consist of Wool, Sheepskins, Hides, Canned Meat, and Tallow, while those from the Dependencies consist of Whale and Seal Oil, Guano and Baleen entirely.

METEOROLOGICAL OBSERVATIONS.

(1) *Falkland Islands.*—The only records available for the year in respect of the Falkland Islands are those for the township of Stanley, which show that 30·29 inches of rain fell on 237 days out of the year, the maximum being 1·40 inches on the 28th May, and the minimum ·18 inches on the 24th October.

The Rainfall Records at Stanley for the past three years show :—

	DAYS OF RAIN.	
For 1917	234 ..	24·68 inches.
„ 1918	240 ..	27·57 „
„ 1919	237 ..	30·29 „

(2) South Georgia (King Edward Cove) :—

	DAYS OF RAIN.	
For 1919	229 ..	51·20 inches.

the maximum being 3·364 inches on the 22nd August, and the minimum ·160 inches on the 21st November.

Mean Wind Force.—The mean wind force at King Edward Cove for the year was 2·43.

W. P. MARTIN,
Colonial Secretary.

Colonial Secretary's Office,
Stanley,
28th February, 1921.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1042	Turks and Caicos Islands	1919
1043	Grenada	,,
1044	Bermuda	,,
1045	Basutoland	1919–1920
1046	Cyprus	,,
1047	Fiji	1919
1048	Straits Settlements	,,
1049	Ceylon	,,
1050	Gibraltar	1919–1920
1051	Somaliland	,,
1052	Zanzibar	1919
1053	Gambia	,,
1054	Uganda	1918–1919
1055	Malta	1919–1920
1056	Swaziland	,,
1057	Bechuanaland Protectorate	,,
1058	Ashanti	1919
1059	Bahamas	1919–1920
1060	British Solomon Islands	,,
1061	Seychelles	,,
1062	Mauritius	,,
1063	St. Vincent	April-December 1919
1064	Nigeria	1919
1065	Sierra Leone	,,
1066	Gold Coast	,,
1067	Jamaica	1919–1920
1068	British Guiana	1919
1069	Trinidad and Tobago	,,
1070	British Honduras	,,
1071	Hong Kong	,,
1072	Barbados	1919–1920
1073	East Africa Protectorate	1918–1919
1074	Leeward Islands	1919–1920
1075	Nyasaland	1919–1920

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.

COLONIAL REPORTS—ANNUAL.

No. 1144.

FALKLAND ISLANDS.

REPORT FOR 1920.

(For Report for 1919 see No. 1076.)

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No. 1144.

ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1920.*

INTRODUCTION.

GEOGRAPHICAL.

The Falkland Islands consist of the East Falkland having an area estimated at 3,000 square miles, the West Falkland about 2,300 square miles, and about 100 small islands, the total area being approximately 6,300 square miles. The group lies in the South Atlantic Ocean between 51° and 53° S. latitude and between 57° and 62° W. longitude, about 480 miles north-east of Cape Horn, and about 1,000 miles due south of Monte Video.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands, and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

DESCRIPTIVE.

Falkland Islands.

The Falkland Islands in general physical appearance consist of bleak rolling moorland interspersed with outbreaks of grey rock and stone runs. They bear a marked resemblance to some parts of the north-west coast of Scotland and to the Shetland Islands. In some parts of the coast high rock cliffs can be seen, but the country can hardly be described as mountainous, the highest peak, Mount Adam on the West Falkland, rising to only 2,315 ft. above sea-level. Trees are completely absent.

The soil is chiefly soft peat and travelling is difficult. There are no roads outside the capital. This is in some measure due to the plenitude of excellent harbours. It is doubtful whether any country in the world is so well served in this respect.

* A Sketch Map will be found in the Report for 1914, No. 872 [Cd. 7622–63].

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The islands are so well adapted for sheep-farming that the entire acreage has been devoted to that industry. The whole country is divided up into a number of farms, containing from 6,000 to, in one case, 600,000 acres, the freeholds of which have been, or are in process of being, purchased from the Crown. Each of such farms, or sections of land, has its headquarters consisting of the Manager's house, cookhouse, wool-sheds, pens, etc., at a settlement situated on the coast at a point convenient for the shipment of produce to the capital.

The only town is Stanley, the capital, in the north-east corner of the group.

The Dependencies.

The island of South Georgia is a mass of high mountains, covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster at Deception Island in the South Shetlands. These Dependencies are, however, ice-free for some four or five months in the year only.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Councils are appointed by warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

HISTORICAL.

The early history of the Falkland Islands is shrouded in uncertainty. The group is said to have been visited by Davis in 1592 and Hawkins in 1594. In 1690 Captain Strong sailed between the East and West Falklands and gave the name of Falkland's Sound to the Channel; it is probable that the islands came to receive their title from this survey. They were, however, known, and are known, to the French as the Isles Malouines and to the Spaniards as Islas Malvinas, from visits paid to the group

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in the 18th century by vessels from St. Malo. In 1764 they were taken possession of by France, and Bougainville planted a small colony at Port Louis. Two years later France admitted Spain's prior claim to territory in this region and ceded her rights. In 1767 England asserted her dominion over the islands, and a post was established in the West Falkland with the object of surveying the group. This was driven out by the Spaniards in 1770 and restored in the following year, after threat of war, and without prejudice. The post was, however, abandoned in 1774, and there was no further formal occupation until 1820, when the " United Provinces of South America " hoisted their flag at Port Louis. This settlement was broken up in 1831 by an American warship owing to the illegal imprisonment by a German, who was in charge of the settlement, of some American sealers, and the German was deported. In the following year the British flag was restored, and there has been no change of ownership of any part of the group since. From 1833 to 1842 continuous Admiralty surveys were made round the coast-line, the naval officers in charge being appointed as residents. On the 23rd of June, 1843, a Charter under the Great Seal was issued defining the constitution of the Colony and its Dependencies, Richard Clement Moody (afterwards General Moody) being the first Governor.

The regions in which the Dependencies lie were visited by a number of navigators in the 16th, 17th and early part of the 18th centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith in the snow " Williams " of Blyth took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819–1820, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers were met there in 1819. The fur seal industry achieved such large proportions that no fewer than 91 vessels visited these islands in the two seasons 1820–21 and 1821–22. They are said to have practically exterminated the fur seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

In 1904 an Argentine Company was formed on the initiative of a Norwegian whaling captain to carry on whaling at South Georgia. The development of the industry from that date has been rapid, and the whaling field has been in recent years more productive than all those in the rest of the world combined.

I.—GENERAL OBSERVATIONS.

The Falkland Islands are inhabited almost exclusively by people of pure British descent. It is the descendants of the most enterprising of the early pioneers who now own the greater part of the land. The Colony is entirely dependent on the sheep industry; the farms were established and have been maintained with but little Government assistance or intervention. There has been little or no co-operation among the farmers, or study of the scientific side of farming. It is therefore not remarkable that progress has been very slow, despite the efforts of one or two individuals. The total number of sheep in the country in 1920 was 667,677. As many as 800,000 have been carried, but this was probably overstocking as the pasturage is poor. One of the chief problems is the disposal of the surplus sheep. Neither of the two canning factories was working in 1920.

The inhabitants generally are hard-working, thrifty and peaceable. Lack of local educational facilities has perhaps been one of the causes of the absence of progress. Except for a temporary wave of prosperity caused by the comparatively high prices paid for wool during the War, a hard struggle for existence has been carried on. It can scarcely be said that even that measure of prosperity materially benefited the general population.

The population at the 31st of December, 1920, was estimated at 2,271, viz., 1,285 males and 986 females. The birth-rate was 21·5 and the death-rate 9·5. The general health was good and there is no doubt as to the salubrity of the climate.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilized mainly by foreigners. The Norwegians were first in the field, and credit must be given to them for their initiative and energy. In 1920 eleven Norwegian companies, two British, and one Argentine were engaged in the industry; the personnel of the factories and whale-catchers was almost entirely foreign.

The workers have shown themselves generally law-abiding, but there were the makings of a serious disturbance in January of 1920. The whole of the labour engaged at a land factory at South Georgia went out on strike with the exception of three men; they were instigated by thirty-six Russian Bolsheviks and they made most extravagant demands, including one for the deportation of the three objectors. The number called out was 220, their demeanour was threatening, and there was only one policeman at the command of the civil authorities. 4.0 p.m. on the 16th of January was the time and date of the expiry of the ultimatum issued by the strikers. At that hour one of His Majesty's cruisers, which was not known to be in the vicinity, steamed into the Harbour. The strike came to an abrupt termination.

The population of South Georgia in December, 1920, was 997 men and 3 women.

The only event of outstanding importance during the year was the publication in April of the Report of the Colonial Office Inter-departmental Committee on Research and Development in the Dependencies of the Falkland Islands. It is difficult to over-estimate the value of this Report to anyone interested in the Whaling Industry or the scientific problems of the development of polar regions. The Committee recommended, *inter alia*, that two special research vessels should be equipped for scientific (biological, hydrographical, geological, meteorological) investigations on lines laid down. It was proposed that part, at all events, of the cost, estimated at £85,000, initial expenditure, and £25,000 to £30,000 for maintenance, should be raised by a special export duty on whale and seal oil.

II.—FINANCIAL

(*a*) Revenue.

The revenue for the year amounted to the sum of £71,558, including the sums received in respect of Land Sales. The total ordinary revenue was £64,166, an increase of £15,670 over the receipts for 1919 and £10,591 in excess of the expenditure. Of the total ordinary revenue, £35,498 was derived from the Colony and £28,688 from the Dependencies.

The following table is a comparative statement of the revenue for the years 1910, 1919 and 1920 :—

Head of Revenue.	1910.	1919.	1920.
	£	£	£
Customs	5,416	13,556	26,590
Port Dues	291	477	835
Internal Revenue	2,671	11,822	12,246
Fees, Fines, etc.	760	2,301	1,549
Interest	4,801	12,368	15,626
Post Office	1,458	4,007	3,345
Rents	2,949	3,221	3,624
Miscellaneous	188	744	350
Total Ordinary Revenue ..	£18,534	£48,496	£64,165
Land Sales	7,238	8,186	7,392
Live Stock	807	—	—
Totals	£26,579	£56,682	£71,557

The net increase in the revenue over 1919 is attributable to successive increases in the duty on whale and seal oil. The duty stood originally at 3½*d*. a barrel; this was raised to 1*s*. 6*d*. in 1919 and 5*s*. 0*d*. in 1920. The additional duty was imposed mainly for the benefit of the whaling industry, the proceeds being earmarked for a Research and Development Fund for the Dependencies.

(*b*) Expenditure.

The expenditure for the year amounted to £53,575, of which £33,320 was for the Colony and £20,255 for the Dependencies. The latter sum includes, however, £12,344 charged in respect of a credit to the Research Fund.

The following is a comparative statement of the total ordinary and Public Works Extraordinary Expenditure in the years 1910, 1919 and 1920 :—

	1910.	1919.	1920.
	£	£	£
Ordinary Expenditure	16,827	26,333	34,392
Public Works Extraordinary ..	1,371	577	829

The increase in the expenditure in 1920 is mainly attributable to the increases in salaries and pensions granted during the year.

(*c*) Assets and Liabilities.

The balance of assets over liabilities at the end of 1920 amounted to £230,956.

The principal items were :—

Land Sales Account..	£159,395
Surplus Balances	69,280

(*d*) Currency.

The legal tender currency is British sterling and 5*s*., £1, and £5 notes issued by the Falkland Islands Government, The currency note issue was increased during the year from £18,000 to £20,000.

The income derived from the securities held by the Commissioners during 1920 was £726, as against an expenditure of £135.

(*e*) Banking.

There are no banking facilities in the Colony with the exception of those offered by the Government Savings Bank, which was instituted in 1888. The financial year of the Savings Bank is from the 1st of October to the 30th of September.

On the 1st of October, 1920, the sum of £128,386 stood to the credit of the 806 depositors in this Bank. The average for each account was £159, or nearly £57 per head of the population.

The withdrawals during the year amounted to £20,600 and the deposits to £29,481.

The rate of interest paid on deposits in the Savings Bank is 2½ per cent.

III.—TRADE, INDUSTRIES AND SHIPPING.

Imports.

The total value of imports into the Colony and its Dependencies during 1920 was £916,769. Of this, £210,002 represented the share of the Colony and £706,767 the Dependencies.

The following table shows the value of the imports for the years 1910, 1919 and 1920. Separate figures for the Colony and the Dependencies were not kept prior to 1918:—

	1910. Colony and Dependencies.	1919. Colony.	1919. Depend.	1920. Colony.	1920. Depend.
	£	£	£	£	£
Food, drink and tobacco	30,102	45,303	81,010	77,745	98,735
Raw materials and articles mainly unmanufactured	18,030	21,584	662,462	17,673	486,575
Articles wholly or mainly manufactured	42,814	94,029	113,267	95,298	121,457
Live stock	2,848	3,626	—	12,251	—
Bullion and specie	500	1,000	—	7,035	—
Total	£94,294	165,542	856,739	210,002	706,767

The principal articles imported into the Colony and its Dependencies during 1920 were the following:—

	Value. £		Value. £
Groceries	138,315	Hardware, machinery	64,776
Corn and fodder	6,875	Drapery, fancy goods	22,230
Tobacco	8,139	Paints and oils	21,058
Coal and coke	443,528	Ships, fittings	13,843
Empty barrels	14,245	Wearing apparel	28,697
Timber	46,456	Wire fencing materials	4,308
Canvas, rope, etc.	19,288	Live stock	12,251
Boots, shoes, saddlery	11,421		

The country of origin of the imports is shown below:—

	£
United Kingdom	583,592
East Africa	101
New South Wales	36,234
South Africa	54,826
Total from British Empire	£674,753
Argentine	61,744
Brazil	20
Chile	4,580
Holland	23,785
Norway	59,940
United States	60,887
Uruguay	31,060
Total from Foreign Countries	£242,016

It should be noted in connection with the imports to the Dependencies that the figures given relate only to South Georgia. The whaling factories which operated in the other Dependencies carried their supplies for the whaling season on board, there being no resident population in these places.

There are no import duties except on wine, malt liquors, spirits and tobacco.

The annual value of malt liquors and spirits imported into the Falkland Islands has been as shown in the following table :—

	1910.		1919.		1920.	
	Gallons.	Value. £	Gallons.	Value. £	Gallons.	Value. £
Spirits	2,490	1,691	1,370	6,247	1,825	5,730
Malt liquors ..	2,781	1,022	3,886	4,064	3,200	4,638
Totals ..	5,271	£2,713	5,256	£10,311	5,025	£10,368
Revenue received ..		£2,346		£3,189		£2,765

EXPORTS.

The total exports were valued at the port of shipment at £3,132,909. Produce to the value of £363,998 was shipped from the Colony and £2,768,911 from the Dependencies.

The following is a comparative table :—

Article.	1910.	Value. £	1919.	Value. £	1920.	Value. £
Falkland Islands—	lb.		lb.		lb.	
Wool ..	4,828,109	161,666	4,867,200	283,884	4,510,607	269,170
Tallow ..	481,173	8,439	515,200	18,004	535,360	21,798
Sheepskins	No. —	—	No. 100,884	36,055	No. 86,447	36,200
Tinned meat	Cases. 33,198	4,138	Cases. 11,705	55,053	Cases. 4,794	23,127
Dependencies—	Tons.		Tons.		Tons.	
Whale oil	6,433	120,995	43,921	1,725,444	41,892	2,748,852
Whale bone	51	2,280	60	4,580	55	1,730
Whale guano	Bags. —	—	Bags. 25,946	13,054	Bags. 18,579	17,273

The value for the five years from 1916 to 1920 of the imports from and exports to the chief countries with which trade has been carried on are shown below :—

	Imports from £	Exports to £
United Kingdom—		
1916	408,957 ..	1,962,794
1917	681,803 ..	1,777,487
1918	487,787 ..	1,891,409
1919	554,178 ..	2,035,878
1920	503,592 ..	2,978,001
South Africa—		
1916	4,631 ..	20
1917	89,068 ..	—
1918	94,964 ..	350
1919	168,363 ..	137,475
1920	54,826 ..	75,471

	Imports from	Exports to
Argentine—	£	£
1916	78,675	89,617
1917	328,647	92,219
1918	222,144	162,326
1919	55,894	—
1920	61,774	78,947

	Imports only.
Norway—	£
1916	67,038
1917	96,643
1918	6,596
1919	15,258
1920	59,940
United States of America—	
1916	35
1917	40,278
1918	77,024
1919	187,396
1920	60,887
Uruguay—	
1916	4,627
1917	16,602
1918	42,191
1919	34,293
1920	31,060

INDUSTRIES.

As has been indicated in previous paragraphs in this Report, there are really only two industries of any serious importance in the territory under the Falkland Islands Government, namely, sheep-farming in the Colony and whaling in the Dependencies.

It cannot be said that there has been any development in the sheep industry. In 1900 there were 778,026 sheep in the Colony. The clip was 4,600,000 lb. The price was poor, £83,333 only resulting. This was probably due to the disturbed state of the market. In 1904 there were 702,444 sheep ; 4,023,807 lb. of wool produced £115,359. In 1913 the number of sheep was 702,859, and £158,442 was the value of 4,820,552 lb. of wool. Owing to war prices approximately the same amount of wool realized £283,884 in 1920.

The methods of farming are said to be far behind those prevailing in South America. It would be unjust to blame the farmers for this. The poverty of the soil, the isolation of the Colony, the intemperance of the climate, and the lack of capital have made the struggle to progress difficult.

The breed of sheep is a cross-bred Romney. There were in 1906 only two pure-bred flocks in the Islands, one Romney Marsh, the other Lincolns. The imports of stock between 1902 and 1912 give a fair indication of the cross—584 Romney Marsh rams, 75 Border Leicester rams, 35 Lincoln rams, 69 Merino rams.

The profits made by the farmers in the Colony were greatly restricted owing to the high freight rates both of getting their produce into Stanley and of shipping it home. There is no land transport, and the wool freights averaged £7 12*s.* 6*d.* per ton weight to Stanley, and £11 from Stanley to the United Kingdom.

There has been no agricultural development of the Colony. A small quantity of oats and potatoes was grown during 1920. It is estimated that 160 acres only were under cultivation.

The whaling industry, on the other hand, has gone on by leaps and bounds. It may be said to have been established in 1904, but there is no separate mention of it in Annual Reports until 1907, when an optimistic note was struck by the statement, "The present satisfactory state of the finances of the Colony is to be attributed, in a measure, to the establishment of the whaling industry." The satisfaction was based on an additional revenue of £921. The first mention of oil exports is in the Report for 1908, where it is stated that 2,400 tons had been exported, of the value of £18,720. The quantity exported in 1920 was 41,276 tons, valued at £2,748,852. The duty levied was £10,038.

As has already been mentioned, this industry is mainly in foreign hands. There were in 1920 eight leases of land sites for whaling purposes in South Georgia; in addition to this there were some twenty floating factories and sixty whale-catchers allowed for the Dependencies as a whole. The whale-catchers are small steam vessels which roam and rove to kill the whales and bring them in to the mother ship or land station. Two British firms operate, but the personnel is chiefly Norwegian.

The Report of the Inter-departmental Committee on the Development of the Dependencies emphasized the imperative necessity of restricting operations pending investigations, and it was not found possible to extend facilities to fresh applicants for whaling licences pending the result of investigations.

There is at present no fur seal industry in the Dependencies. The only company which has a licence for taking seals killed 1,527 sea elephants and 18 sea leopards in South Georgia in 1920; 2,269 barrels of oil, valued at £11,345, were obtained.

Shipping.

The total number of vessels which entered the Colony during the year was 47, with a tonnage of 64,109. Of these, 10, with a tonnage of 40,389, were British. The corresponding figures for South Georgia, which has the only port of entry in the Dependencies, were 31 and 15 respectively, with a total tonnage of 33,967, of which 22,081 was British.

The following table shows the number of vessels which entered the Colony and the Dependencies during 1920 :—

	British.		Foreign.	
	Steamships.	Tonnage.	Steamships.	Tonnage.
Falkland Islands ..	10	40,389	37	23,720
South Georgia ..	15	22,081	16	11,886

An industry which was a standing feature of former annual reports has practically gone by the board owing to the opening of the Panama Canal. A long list of damaged vessels used to be shown as having put into Stanley for repairs. The shipping casualties are now happily few and far between. The Colony could afford to give up an industry of which it failed to take proper advantage.

IV.—EDUCATION.

There is no secondary education in the Colony. Elementary education is compulsory in Stanley, where there are two schools, one conducted by the Government and the second under Roman Catholic management. The number of pupils on the roll in 1920 was 116 in the former and 63 in the latter. The children in the country districts are taught by travelling teachers, of whom five are provided by the Government and two by the Falkland Islands Company, which also retains a resident teacher at the head station at Darwin.

During the War it was found difficult to obtain travelling teachers, with the result that the majority of the children received no education. At best the system only permits of giving a few weeks' teaching in the year to the 250 children of school age in the widely scattered settlements and shepherds' huts.

V.—CLIMATE.

The climate is rigorous, but very healthy except to those disposed to pulmonary affections. There are constant high winds in the daytime between September and May, which are trying to those engaged in outdoor pursuits. The rainfall was 29·48 in. in 1920 as against 30·29 in. in 1919. Rain fell on 250 days. The temperature seldom falls below 30° or rises above 60°. There are periodical blizzards, but they are seldom of great force. If they occur during the lambing season, October and November, serious losses occur to the farmers.

The rainfall in South Georgia was 48·792 in. in 1920. The number of days on which rain fell was 212. The mean wind force was 2·33. Despite the heavier rainfall the climate is drier than that of the Falklands. The temperature varies between about 23° and 60°. The mean for June, the coldest month, was 28·90°.

VI.—COMMUNICATIONS.

The Colony was badly served for external communications during 1920. Nominally there is a monthly mail service, but this was suspended during the War. Owing to the opening of the Panama Canal there is no direct homeward service, steamers proceeding to the United Kingdom via the west coast of South America.

There is a wireless service with Monte Video, whence messages are cabled. The cost per word is 3*s*. 9½*d*. for messages of over ten words.

Internally the population is dependent for freight on water transport. Roads there are none. Travelling is by horseback.

A small wireless station in the West Falkland maintained communication with Stanley.

There was no wireless station in the Dependencies, but communication was occasionally established with ships carrying installations.

VII.—DEVELOPMENT OF RESOURCES.

During 1920 attention was again drawn to the necessity for developing the resources of the country. Of these there were known, pasturage, peat, penguin and seal oil; suspected, fisheries and guano; and conceived as possibilities, the growing of trees and the discovery of payable minerals and mineral oils. A forest officer and a geologist were appointed; they arrived in the Colony in December. There is no doubt that it would be a great boon if trees could be grown for shelter, and no country can afford to allow the possibility of geological resources to remain undiscovered.

H. HENNIKER-HEATON,
Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands.
23rd September, 1922.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1109	British Guiana	1920
1110	British Honduras	,,
1111	Malta	1920–1921
1112	Uganda	1920
1113	Leeward Islands	1920–1921
1114	Nigeria	1921
1115	Mauritius	1920
1116	Jamaica	1921
1117	Cyprus	,,
1118	Weihaiwei	,,
1119	Gold Coast	1920
1120	Gambia	,,
1121	Gambia	1921
1122	Kenya Colony and Protectorate	1920–1921
1123	British Guiana	1921
1124	Grenada	,,
1125	Zanzibar	,,
1126	Northern Territories of the Gold Coast	,,
1127	Gibraltar	,,
1128	St. Vincent	,,
1129	St. Helena	,,
1130	Fiji	,,
1131	Basutoland	1921–1922
1132	Bermuda	1921
1133	Bechuanaland Protectorate	1921–1922
1134	Barbados	,,
1135	Trinidad	1921
1136	British Honduras	,,
1137	Ceylon	,,
1138	Swaziland	,,
1139	Hongkong	,,
1140	Straits Settlements	,,
1141	St. Lucia	,,
1142	Ashanti	,,
1143	Jamaica	,,

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oil-seeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Visit to the Island by the High Commissioner for the Western Pacific.

COLONIAL REPORTS—ANNUAL.

No. 1157.

FALKLAND ISLANDS.

REPORT FOR 1921.

(For Report for 1920 see No. 1144.)

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No. 1157.

ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1921.*

FALKLAND ISLANDS.

INTRODUCTION.

GEOGRAPHICAL.

The Falkland Islands consist of the East Falkland, having an area estimated,† in the absence of any survey of the group, on measurements from the Admiralty charts, at 2,580 square miles, and the West Falkland at 2,038 square miles, including the adjacent small islands in each case. The total area is therefore 4,618 square miles. The group lies in the South Atlantic Ocean between 51° and 53° S. latitude and between 57° and 62° W. longitude, about 480 miles north-east of Cape Horn, and about 1,000 miles due south to Monte Video.

DESCRIPTIVE.

The Falkland Islands in general appearance are treeless, bleak and inhospitable. They are said to resemble closely parts of the north-west coast of Scotland and the Shetland Islands. Outbreaks of grey rock afford little relief to the dull colouring of the vegetation. With the exception of a comparatively flat area forming about one-half of the East Falkland, the country is very hilly. Mount Adam, the highest point, is 3,215 ft. above sea level. The coast line of the islands is everywhere deeply indented, forming many excellent harbours. Some would have every claim to beauty were it not for the absence of trees.

The soil is chiefly peat, soft and at times dangerous to travel over. There are no roads and all inland travel is done on horseback with pack-horses for transport. Although the islands are in many respects well suited for a pastoral industry, the acidity of the soil limits the number of stock which can be carried to a proportion that is very low compared with the area.

The country has in fact been entirely devoted to sheep-farming. Practically the whole area is divided up into farms varying in size from six to six hundred thousand acres. Each of such farms has its head station at a settlement in a harbour.

The only town is Stanley, the capital, in the north-east corner of the group.

* A Sketch Map will be found in the Report for 1914, No. 872 [Cd. 7622–63].

† Previous reports and official returns have given the East Falkland 3,000, and the West, 2,300 square miles, making, with the adjacent smaller islands, a total of 6,500 square miles. It is not possible now to account for the large over-estimate.

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HISTORICAL.

A summary of the early history of the Falkland Islands can be neither better nor more accurately recorded that in the words of Dr. Johnson in 1771.

> " In the fatal voyage of Cavendish (1592), Captain Davis, who being sent out as his associate, was afterwards parted from him or deserted him, as he was driven by violence of weather about the Straits of Magellan, is supposed to have been the first who saw the lands now called Falkland Islands, but his distress permitted him not to make any observation, and he left them, as he found them, without a name.
>
> " Not long afterwards (1594), Sir Richard Hawkins, being in the same seas with the same designs, saw these islands again, if they are indeed the same islands, and in honour of his Mistress called them Hawkins's Maiden Land.
>
> " This voyage was not of sufficient renown to procure a general reception to the new name, for when the Dutch, who had now become strong enough not only to defend themselves, but to attack their masters, sent (1598) Verhagen and Sebald de Wert, into the South Sea, these islands, which were not supposed to have been known before, obtained the denomination of Sebald's Islands and were from that time placed in the charts; though Frezier tells us that they were yet considered as of doubtful existence.
>
> " Their present English name was probably given them by Strong, whose journal yet unprinted, may be found in the Museum. This name was adopted by Halley, and has from that time, I believe, been received into our maps."

To Dr. Johnson's account it is only necessary to add that Sebald de Wert sighted some outlying small islands only and that Captain Strong, who sailed under letters of marque, sighted land on the 27th January, 1690 (Old Style), sailed up the sound between the East and West Falkland and landed, obtaining geese, ducks and water. It is certain that, as far as is known, Captain Strong was the first man to make a landing and has the strongest claim to be the discoverer of the group.

During the first half of the 17th century adventurers in vessels fitted out at St. Malo visited the islands, which then obtained the French name of Isles Malouines and Spanish of Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a port in the East Falkland, and in the following year a British garrison was posted in the West Falkland, England re-asserting her claim to the sovereignty of the group. France ceded her rights to Spain, and in 1770 the Spaniards drove out the British garrison. In the following year the action of the Spanish Captains was disavowed by their Sovereign and Spain restored the garrison and handed back all the stores taken. In 1774 the post was temporarily abandoned and there was no

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further formal occupation until 1820 when the "United Provinces of South America" hoisted their flag at Port Louis, the site of the former French settlement in the East. In 1831 one Vernet, a German, in charge of the settlement, was deported by an American warship, and the British flag was again hoisted in 1833. There has been no change in the occupation of any part of the group from that time. From 1833 to 1842 continuous Admiralty surveys were made round the coast line, the naval officers in charge being appointed as Residents. On the 23rd of June, 1842, a charter under the Great Seal was issued defining the constitution of the Colony and its Dependencies, Richard Clement Moody (afterwards General Moody) being the first Governor.

The Colony received grants in aid from the Imperial Parliament down to 1880, since which time it has been self-supporting.

The strategical value of the group was shown in 1914, when a British squadron based on Stanley defeated a German squadron in a naval action on the 8th of December.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Councils are appointed by warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—GENERAL OBSERVATIONS.

The Falkland Islands are inhabited almost exclusively by people of pure British descent. It is the descendants of the most enterprising of the early pioneers who now own the greater part of the land. The Colony is entirely dependent on the sheep industry; the farms were established and have been maintained with but little Government assistance or intervention. There has been little or no co-operation among the farmers, or study of the scientific side of farming. It is therefore not remarkable that progress has been very slow, despite the efforts of one or two individuals. The total number of sheep in the country in 1921 was 667,389. As many as 800,000 have been carried, but this was probably overstocking, as the pasturage is poor. One of the chief problems is the disposal of the surplus sheep. The export of live sheep, of carcasses for freezing, canning and boiling down for tallow have all had their turn. Many thousands of sheep have been killed and the bodies thrown into the sea when these methods failed to pay. The two canning factories in the Colony were both closed in 1921, and 31,954 sheep were boiled down.

The inhabitants generally are hardworking, thrifty and peaceable. Lack of local educational facilities has perhaps been one of the causes of the absence of progress. Except for a temporary wave of prosperity caused by the comparatively high prices paid for wool during the War, a hard struggle for existence has been carried on.

II.—FINANCIAL.

(*a*) Revenue.

The revenue for the year 1921, excluding land sales and interest on Savings Bank Investments, but including a sum of £2,280 transferred from Stock Fund, amounted to £36,865, as compared with £31,012 from normal sources in the previous year.

The following table is a comparative statement of the revenue for the years 1919, 1920 and 1921 :—

Head of Revenue.	1919.	1920.	1921.
	£	£	£
Customs	5,578	4,847	4,998
Post Office	3,874	3,175	2,035
Land Tax	8,692	8,694	8,467
Interest	12,368	11,141	12,883
Other sources	4,223	2,155	8,482
	£34,735	£31,012	£36,865
Land Sales	8,186	7,392	7,884
Totals	£42,921	£38,404	£44,749

Of the ordinary revenue in 1921, 62 per cent. was derived directly from the farmers, 2·6 per cent. from the residents in Stanley and 35·4 per cent. from the population generally. The chief tax is a graduated land tax of from ¼*d*. per acre to 1*d*. according to area.

(*b*) Expenditure.

The expenditure for the year 1921, excluding Savings Bank disbursements and payments chargeable to the surplus balances of the Colony, amounted to £32,286 as compared with £29,081 in the previous year. The ordinary revenue was therefore £4,579 in excess of the expenditure during the year.

The following is a comparative statement of the total Ordinary and Extraordinary Expenditure in the years 1919, 1920 and 1921 :—

	1919.	1920.	1921.
	£	£	£
Ordinary Expenditure	24,516	28,251	32,286
Public Works Extraordinary ...	577	830	2,868
Miscellaneous Extraordinary ...	—	—	4,552
Totals	£25,093	£29,081	£39,706

(*c*) ASSETS AND LIABILITIES.

The balance of assets over liabilities at the end of 1921 amounted to £226,997.

The principal items were :—

Land Sales Fund	£167,278.
General Account	£59,719.

(*d*) CURRENCY.

The legal tender currency is British Sterling and 5*s*., 10*s*., £1 and £5 notes issued by the Falkland Islands Government.

The face value of the notes in circulation on the 31st of December, 1921, was £20,000.

During the year 2,000 £5, 12,000 £1 and 6,000 10*s*. notes of a new design were received by the Commissioners from the Crown Agents; of these 680 £5, 6,300 £1 and 2,000 10*s*. notes were issued to replace those withdrawn from circulation for cancellation and destruction.

The income derived from the securities held by the Commissioners during 1921 was £802 as against an expenditure of £302.

(*e*) BANKING.

There are no banking facilities in the Colony with the exception of those offered by the Government Savings Bank, which was instituted in 1888. The financial year of the Savings Bank is from the 1st of October to the 30th of September.

On the 1st of October, 1921, the sum of £129,322 stood to the credit of the 795 depositors in this Bank. The average for each account was £162 or £61 per head of the population.

The withdrawals during the year amounted to £25,274 and the deposits to £23,193.

The rate of interest paid on deposits in the Savings Bank is 2½ per cent.

(*f*) GENERAL.

There is no public debt. This, taken into consideration with the comparatively large assets of the Colony and the sums lying idle in the Savings Bank, illustrates stagnation rather than prosperity.

III.—TRADE, INDUSTRIES AND SHIPPING.

IMPORTS.

The total value of imports into the Colony during 1921 was £137,929.

The following table shows the value of the imports for the years 1919, 1920 and 1921 :—

	1919.	1920.	1921.
	£	£	£
Food, Drink and Tobacco ...	45,303	77,745	48,888
Raw Materials and articles mainly unmanufactured ...	21,584	17,673	12,577
Articles wholly or mainly manufactured	94,029	95,298	74,816
Live Stock	3,626	12,251	1,648
Bullion and Specie	1,000	7,035	—
Total	£165,542	£210,002	£137,929

The principal articles imported into the Colony during 1921 were the following :—

	Value. £
Groceries	27,919
Timber	11,235
Hardware	13,814
Furniture	7,686
Drapery	15,781
Wearing apparel	13,597

The country of origin of the imports is shown below :—

United Kingdom	£122,071
Total from British Empire ...	£122,071

	£
Argentina	7,355
Belgium	70
Chile	3,056
Norway	285
Uraguay	5,093
Total, Foreign Countries ...	£15,859

There are no import duties except on wine, malt liquors, spirits and tobacco.

The annual quantity of malt liquors and spirits imported into the Colony has been as shown in the following table :—

	1919. Gallons.	1920. Gallons.	1921. Gallons.
Spirits	3,589	3,227	4,129
Malt liquors	10,758	14,713	13,039
Totals	14,347	17,940	17,168
Revenue received	£2,961	£2,765	£3,429

Exports.

The total exports were valued at the port of shipment at £130,006.

The following is a comparative table :—

Article.	1919. lb.	1920. lb.	1921. lb.	1919. Value. £	1920. Value. £	1921. Value. £
Wool ...	4,867,200	4,510,607	4,039,200	283,884	269,170	124,155
Tallow ...	515,200	535,360	117,600	18,004	21,798	909
	No.	No.	No.			
Sheepskins	100,884	86,447	20,120	36,055	36,200	2,009
	Cases.	Cases.	Cases.			
Tinned Meat	11,705	4,794	—	55,053	23,127	—

Industries.

The only industry of any serious importance in the Colony is, as has been indicated in the first section of this report, sheep-farming. Sheep are bred entirely for the wool, and the slump in prices in 1921 hit the industry badly. The current supposition that the farmers had done well out of the War and could afford to lose money was erroneous. The average prices received for wool were nearly 100 per cent. below the 1920 value, as shown

in the Customs returns. Freights remained at a high level and at the end of the year many of the farms were in difficulties. During the later war years it was possible only at very great expense to obtain fresh stock, or materials for fencing and improvements, and the profits through high prices were nearly counterbalanced by expenditure. Consequently the general position at the end of 1921 was stock inbred, fences in many places in disrepair, woolsheds and wool presses out of date, with little hope of replacement. There were a few excepticns, where absentee landlords, who had expended their health and a great part of their lives in the Colony, had, in the absence of dependents, been able to afford to put their farms in good condition before the War.

It has been commonly asserted that the methods of the farmers are at fault as they are able to run one sheep only to six or seven acres. The exaggerated idea of the area of the country is to blame for this estimate. The fact is that, during the twelve years ending in 1921, 4·2 acres in the East Falkland, 5·38 in the West, and 3 in the small islands, carried one sheep. The returns for the mainland compare not unfavourably with the corresponding returns for sheep in the hill districts in parts of Scotland.

The breed of sheep is a cross-bred Romney; all the wool is sent home in the grease.

The farmers have been fortunate in having little disease among the stock with which to contend. Up till 1921 there had been no scientific study of the sheep industry in the Colony or of the possibilities of development.

Shipping.

The total number of vessels which entered the Colony during the year was 49, with a tonnage of 74,765. Of these 15, with a tonnage of 53,060, were British.

The following table shows the number of vessels which entered the Colony during 1921 :—

	British.		Foreign.	
	Steamships.	Tonnage.	Steamships.	Tonnage.
Falkland Islands ...	15	53,060	34	21,705

IV.—EDUCATION.

There is no secondary education in the Colony. Elementary education is compulsory in Stanley, where there are two schools, one conducted by the Government and the second under Roman Catholic management. The number of pupils on the roll in 1921 was 127 in the former and 65 in the latter. The children in the country districts are taught by travelling teachers, of whom five are provided by the Government and two by the Falkland Islands Company, which also retains a resident teacher at the head station at Darwin.

During the War it was found difficult to obtain travelling teachers, with the result that the majority of the children received no education. At best the system only permits of giving

a few weeks teaching in the year to the 157 children of school age in the widely scattered settlements and shepherd's huts.

V.—CLIMATE.

There are probably few places in the world with a climate which has been so richly abused as that of the Falkland Islands. Writers in succeeding generations, including Darwin, have said little to remove the impression given by Dr. Johnson, in his references to the West Falkland, "An island stormy in winter, barren in summer; an island where a garrison must be kept in a state that contemplates with envy the exiles of Siberia," "shrinking from the blast, and shuddering at the billows." It is commonly alleged and has been stated by visitors in very recent years that the winds and storms are varied only by mists and fogs. The skies are, according to the Encyclopedia Britannica, "continually overcast." To descend to unpicturesque facts as recorded by the Meteorological Office. The absolute extremes of temperature found at Cape Pembroke, in the neighbourhood of Stanley, over a period of ten years are 75° and 19°. The winters are slightly colder and the summers much cooler than in London, which is in the same latitude, north, as Stanley is south. The mean daily maximum varies from 55° in the warmest month to 40° in July. The mean daily minimum is 45° in January and 33° in midwinter. The average daily sunshine is 3 hours and 48 minutes. In January it is over 6 hours. The number of days without sunshine is 59, 36 of which occur between May and August. The average rainfall is 26·43 inches as against 23·80 inches at Kew. Constant strong winds usually prevail in summer, and gales are recorded as blowing for 237 hours in the year, but severe storms are rarer than they are in the United Kingdom.

This section has been dealt with at some length in the hope of exploding fallacious ideas. The climate has generally been regarded as healthy; the fact is indisputable, although it has been tempered by allegations of epidemic diseases. There is neither endemic nor epidemic sickness in the country.

VI.—COMMUNICATION.

No mails were received in the Colony during the first seven months of 1921. The circumstances were exceptional and, happily, are not likely to recur. The opening of the Panama Canal has had, however, a bad effect temporarily on mail communications, and a six to eight weeks' service is the normal condition. There is no direct homeward passenger service, vessels proceeding to the United Kingdom via the west coast of South America.

There is a wireless service with Monte Video, whence messages are cabled. The cost per word in 1921 was 3*s*. 9½*d*. A small station in the West Falkland maintains communication with Stanley.

VII.—POPULATION.

A census of the population was taken on the 24th of April, 1921. The total, exclusive of crews of ships in harbour in Stanley, numbered 2,087, made up as follows :—

	Males.	Females.	Total.
Port Stanley	432	458	890
East Falklands	508	293	801
West Falklands	242	154	396
Totals	1,182	905	2,087

Of the 2,087 residents in the Falklands 712 were children under 15 years of age. Excluding children, 38 persons were found to be unemployed. This is only 3 in excess of the number of persons of over 70 years of age.

VIII.—Development of Resources.

A Government Geologist, who arrived in the Colony at the end of 1920, made thorough investigations in the following year. He was unable to find payable minerals or oils, but his work was of value to science. It is too early yet to speak of the results of the work during 1921 of a newly-appointed Forest Officer who was engaged in the difficult but important task of endeavouring to grow trees in the Colony.

An attempt was made to establish the fur seal industry, under Government direction, in the latter part of 1921. There were several known rookeries in the group, and the killing of the seal was prohibited except under licence and during the sealing season. By the Seal Fishery Ordinance of 1899 a royalty of 4*s*. was exacted for each fur seal. There were no effective means of enforcing the provisions of the Ordinance; no licences being taken out in 1921 and no royalties received. It was known, however, that poaching was carried out by sealers from South American ports. The Government purchased an Admiralty drifter for service as an armed patrol boat, established a guard at the main rookery, and passed new legislation giving full powers for the prevention of poaching. Preparations were at the same time made for the control and scientific exploitation of the rookeries by the Government, no private sealing licences being issued pending the development of the industry.

IX.—SOCIAL.

The cost of living in the Colony was comparatively low, despite the necessity in 1921 for paying high freights in addition to European prices for imported articles. There is no income tax and Stanley is a free port except for wines, spirits, malt liquors and tobacco.

Agricultural wages were from £7 to £8 a month with quarters, fuel, meat and milk found.

Town labourers were paid £11 per month, or 1*s*. an hour, and tradesmen £15 to £16, or 1*s*. 4½*d*. an hour. Mutton cost 3*d*. a lb.,

with bread 8d. a lb., milk 1*s*. a quart, and eggs 3*d*. each. The ordinary cost of living in a boarding house in Stanley was from 30*s*. to 60*s*. a week.

Labour troubles were completely absent in 1921; the balance between supply and demand was, as usual, very evenly kept.

DEPENDENCIES.

INTRODUCTION.

Geographical.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands, and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

Descriptive.

The island of South Georgia is a mass of high mountains covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster at Deception Island in the South Shetlands. These Dependencies are, however, ice free for some four or five months in the year only.

Historical.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth, seventeenth and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith in the snow "Williams" of Blyth took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under

whom Mr. William Smith sailed in 1819-1820, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British whalers were met there in 1819. The fur-seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820–21 and 1821–22. They are said to have practically exterminated the fur-seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

I.—GENERAL OBSERVATIONS.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilised mainly by foreigners. The Norwegians were first in the field and credit must be given to them for their initiative and energy. In 1921 nine Norwegian Companies, three British, and one Argentine were engaged in the industry; the personnel of the factories and whale catchers was almost entirely foreign.

Apart from sealing on a small scale by one company, whaling has been the sole industry.

South Georgia is the only part of the Dependencies which is permanently habitable. Five land stations have been established there by whaling companies, sites of the usual extent of 500 acres being taken up for periods of 21 years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale catchers without the payment of additional licence fees. A fairly large population was maintained here down to 1921, i.e., while fishing was allowed throughout the year.

The harbours in the other Dependencies are ice bound for about seven months in the year, and the work of boiling down is done on board floating factories.

A permanent official staff of two Magistrates, two Customs Officers and one Police Constable is maintained in South Georgia, while such control as is possible of the South Shetlands whaling fleet is carried out by a Magistrate or a whaling officer who accompanies the fleet south in November and returns with it in April.

The main objects of the control exercised by the Colonial Government are, to quote the Report of the Inter-Departmental Committee on Research in the Dependencies, " to conserve the industry by limiting the number of whale catchers allowed to hunt whales, to prevent the destruction of whale calves * * * and to minimise waste in the manufacture of the carcasses. The Colonial Government has derived some revenue from rents,

licence fees and taxation of whale oil." To this it may be added that it has been the policy of the Colonial Office that the revenue derived from the Dependencies should, as far as possible, be devoted to the development of their resources.

The Dependencies are governed from the Falkland Islands with a central administration in common. Laws passed by the Legislative Council of the Colony are, however, only in force in the Dependencies if specifically applied.

II.—FINANCIAL.

During 1921 the revenue derived from the Dependencies was £88,832 and the local expenditure £3,249.

Under instruction from the Secretary of State for the Colonies the surplus of Dependencies' revenue after providing for local services and paying for the cost of the central administration in the Falklands is earmarked for research and development purposes. The export tax on oil was increased from 1*s*. 6*d*. to 5*s*. a barrel in 1920, but owing to a fall in prices in 1921 2*s*. 6*d*. a barrel was refunded in respect of the 1920–1921 season to the exporters. The Research Fund on the 31st of December, 1921, stood at £72,952.

The total excess of Assets over Liabilities was £85,999.

The legal tender currency is British sterling and Falkland Island notes.

There are no banking facilities and the export duty is paid locally by drafts on which a remittance rate of 1 per cent. is charged.

III.—TRADE, INDUSTRIES AND SHIPPING.

Trade.

The value of the total trade of the Dependencies in 1921 was £1,904,211, of which £1,604,260 represents exports and the balance imports.

Broadly speaking there are no imports to any other Dependency than South Georgia.

Industries.

In addition to whaling, sealing on a small scale is carried out; 2,401 barrels of oil were collected in 1921.

The development of the Dependencies has been rapid, and it is not yet proved that whaling in these waters will, as has happened elsewhere in the world, exhaust the supply. Fortunately the industry has been controlled by the Falkland Islands Government from its commencement; the keen interest taken in it by the Imperial Government and the British Museum has been of great value.

The progress of the whaling industry since it assumed large proportions in 1908 is best shown by the following table :—

Year.	Whale Catchers.	Whales Captured.	Barrels of Oil.	Average of barrels per whale.	Value. £
1909–1914 (average) ...	42	8,314	304,002	36·57	822,451
1915–16	57	11,792	558,805	47·39	1,856,384
1916–17	44	6,474	361,087	55·77	1,542,323
1917–18	48	4,313	258,476	59·91	1,658,215
1918–19	49	4,838	232,371	46·82	1,725,444
1919–20	43	5,247	256,252	48·84	2,748,852
1920–21	48	8,520	383,816	45·05	1,559,467

The values are on conventional customs valuations and are not very reliable. In 1921 the actual market price of oil in Europe had decreased by at least 60 per cent. At the same time material and labour were at war cost. A single floating factory was insured for over £200,000. This was the ill-fated " Guvernör," one of the colliding ships which caused the Halifax explosion. She was wrecked in the Falklands on her way south in 1921.

The most important step affecting the industry was the introduction of new regulations enforcing full utilisation of the carcasses of whales. These comprehensive regulations had a marked effect in increasing the production of oil per whale and putting a stop to waste.

Shipping.

The following table shows the number of steamships which entered South Georgia during 1921 :—

	British.		Foreign.	
	Steamships.	Tonnage.	Steamships.	Tonnage.
South Georgia ...	10	16,822	7	9,826

There is no port of entry in the other Dependencies, and all ships for South Shetlands must enter at the Falkland Islands or in South Georgia.

IV.—CLIMATE.

Five meteorological stations are maintained in South Georgia by the whaling companies with shore factories, and one is maintained in the South Orkneys by the Argentine Government. The returns from the latter are not sent to the Colony.

The average temperature at South Georgia is 36°; in January and February it is 46·2°, and in the three coldest months, June, July and August, it is 27·9°.

The annual rainfall is on an average 56 inches.

The average number of occurrences of winds of gale force is only 3 per annum. No gales have yet been recorded in January.

Observations over three years in South Georgia showed that snow fell on an average on 124 days in the year, and it hailed on 43.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness is caused by the absence of fresh provisions, but the climate is undoubtedly healthy.

V.—COMMUNICATION.

There is no direct communication between South Georgia and the Falkland Islands. Vessels for this Dependency call at South American ports on their way out and there is more or less regular communication between South Georgia and Buenos Aires.

The South Shetlands whaling fleet calls at Stanley on the way south in November and again on the return in March–April.

There is no wireless telegraph station in the Dependencies, but communication is sometimes possible between steamers engaged in the whaling industry and the Colonial Government Station at Stanley.

VI.—POPULATION.

The population of South Georgia on the 24th of April, 1921, when a census was taken was 1,337, of whom three were females. Of the whaling population no fewer than 998 were natives of Sweden or Norway.

H. HENNIKER-HEATON.
Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands.
9th February, 1923.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1123	British Guiana	1921
1124	Grenada	,,
1125	Zanzibar	,,
1126	Northern Territories of the Gold Coast	,,
1127	Gibraltar	,,
1128	St. Vincent	,,
1129	St. Helena	,,
1130	Fiji	,,
1131	Basutoland	1921–1922
1132	Bermuda	1921
1133	Bechuanaland Protectorate	1921–1922
1134	Barbados	,,
1135	Trinidad	1921
1136	British Honduras	,,
1137	Ceylon	,,
1138	Swaziland	,,
1139	Hongkong	,,
1140	Straits Settlements	,,
1141	St. Lucia	,,
1142	Ashanti	,,
1143	Jamaica	,,
1144	Falkland Islands	1920
1145	Bahamas	1921–1922
1146	Seychelles	1921
1147	Turks and Caicos Islands	,,
1148	British Solomon Islands Protectorate	1921–1922
1149	Mauritius	1921
1150	Sierra Leone	,,
1151	Uganda	,,
1152	Somaliland	,,
1153	Kenya Colony and Protectorate	April–Dec., ,,
1154	Gold Coast	,,
1155	Nigeria	1922
1156	Nyasaland	1921

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oil-seeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

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COLONIAL REPORTS—ANNUAL.

No. 1187.

FALKLAND ISLANDS.

REPORT FOR 1922.

(For Report for 1921 see No. 1157.)

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No. 1187.

ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1922.*

FALKLAND ISLANDS.

INTRODUCTION.

GEOGRAPHICAL.

The Falkland Islands lie in the South Atlantic Ocean between 51° and 53° S. latitude and between 57° and 62° W. longitude. The group consists of East Falkland and West Falkland surrounded by a large number of smaller islands. The total area of the group was given in the Colonization Circular (Ch. VIII.—1874) of the Colonial Land and Emigration Commissioners as 6,500 square miles. This area was no doubt based on calculations from the Admiralty Chart, and since its publication it has been generally adopted in official reports. No land survey has been carried out and there is no ordnance map, but it is clear that the area as above stated has been largely over-estimated. The area has since been computed by measurement from the Admiralty Chart by a qualified surveyor, as follows :

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of group	4,618

The group is distant about 480 miles north-east of Cape Horn and about 1,000 miles due south of Monte Video.

DESCRIPTIVE.

The Falkland Islands in general appearance are treeless, bleak and inhospitable. From the higher levels the view is one of moorland and marsh interspersed with dull grey rocks and intersected by slow-running streams. The country is not without some claim to beauty and, but for the absence of trees, parts of the coast and of the interior would furnish scenery at once varied and picturesque. There are numerous indentations in the coastline often reducing the intervening land to a series of narrow peninsulas.

The hilly districts are mainly centred in the interior, the higher levels sloping towards the coast in undulating pasture land. In West Falkland the highest point is Mount Adam, 3,215 ft. above sea level. The main ridge on the East Island is the Wickham Heights, which culminates in Mount Usborne, 2,245 ft. above sea level.

* A Sketch Map will be found in the Report for 1914, No. 872 [Cd. 7622–63].

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29

The only town is Stanley, the capital, situated on an excellent natural harbour entered from Port William at the north-east corner of the group. It is a small town of only 890 inhabitants but appears larger owing to the scattered nature of its dwellings. Beyond the limits of the town there are no roads, and all inland travel is done on horseback with pack horses for transport. The only other settlement of importance is Port Darwin situated at the head of Choiseul Sound. Smaller settlements exist throughout the Colony as the headquarters of the various farm stations into which the country is divided.

Historical.

A summary of the early history of the Falkland Islands can be neither better nor more accurately recorded than in the words of Dr. Johnson in 1771 :

> " In the fatal voyage of Cavendish (1592), Captain Davis, who being sent out as his associate, was afterwards parted from him or deserted him, as he was driven by violence of weather about the Straits of Magellan, is supposed to have been the first who saw the lands now called Falkland Islands, but his distress permitted him not to make any observation, and he left them, as he found them, without a name.
>
> " Not long afterwards (1594) Sir Richard Hawkins, being in the same seas with the same designs, saw these islands again, if they are indeed the same islands, and in honour of his mistress called them Hawkin's Maiden Land.
>
> " This voyage was not of sufficient renown to procure a general reception to the new name, for when the Dutch, who had now become strong enough not only to defend themselves, but to attack their masters, sent (1598) Verhagen and Sebald de Wert into the South Sea, these Islands, which were not supposed to have been known before, obtained the denomination of Sebald's Islands and were from that time placed in the charts ; though Frezier tells us that they were yet considered as of doubtful existence.
>
> " Their present English name was probably given them by Strong, whose journal, yet unprinted, may be found in the Museum. This name was adopted by Halley, and has from that time, I believe, been received into our maps."

To Dr. Johnson's account it is only necessary to add that Sebald de Wert sighted some outlying small islands only and that Captain Strong, who sailed under letters of marque, sighted land on 27th January, 1690 (Old Style), sailed up the sound between the East and West Falkland and landed, obtaining geese, ducks and water. It is certain that, as far as is known, Captain Strong was the first man to make a landing and has the strongest claim to be the discoverer of the group.

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During the first half of the 17th century adventurers in vessels fitted out at St. Malo visited the islands, which then obtained the French name of Iles Malouines and Spanish of Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a port in the East Falkland, and in the following year a British garrison was posted in the West Falkland, England re-asserting her claim to the sovereignty of the group. France sold her rights to Spain, and in 1770 the Spaniards drove out the British garrison. In the following year the action of the Spanish Captains was disavowed by their sovereign and Spain restored the garrison and handed back all the stores taken. In 1774 the post was temporarily abandoned and there was no further formal occupation until 1820, when the "United Provinces of South America" hoisted their flag at Port Louis, the site of the former French settlement in the East. In 1831 one Vernet, a German, in charge of the settlement, was deported by an American warship, and the British flag was again hoisted in 1833. There has been no change in the occupation of any part of the group from that time. From 1833 to 1842 continuous Admiralty surveys were made round the coast line, the naval officers in charge being appointed as Residents. On 23rd of June, 1843, a charter under the Great Seal was issued defining the constitution of the Colony and its Dependencies, Richard Clement Moody (afterwards General Moody) being the first Governor.

The Colony received grants-in-aid from the Imperial Parliament down to 1880, since which time it has been self-supporting.

The strategical value of the group was shown in 1914, when a British squadron based on Stanley defeated a German squadron in a naval action on the 8th of December.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Councils are appointed by warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—GENERAL OBSERVATIONS.

The Falkland Islands are inhabited almost exclusively by people of pure British descent. It is the descendants of the most enterprising of the early pioneers who now own the greater part of the land. In Stanley employment is almost solely at the disposal of the Government and the Falkland Islands Company. The people of the town are hardworking and thrifty. They share meagrely in the amenities of life, but the poverty which is always present in larger communities may be said to be non-existent in the Falkland Islands.

The most notable feature in 1922 was the recovery of the English wool market. The rigid economy called for by the depressed state of the industry in 1921 was in some measure relieved in 1922 and the effect of the improvement was generally felt. In Stanley, the port and distributing centre for the industry, the depression was not so much marked as might have been expected, but signs were not wanting throughout the year to show that the recovery in the market came only in time to prevent serious hardship resulting.

In the earlier part of the year the Government had under consideration measures for improving the milking strain of the cattle owned by the people of the town and depastured on the Stanley Common. With this object pedigree stock was imported to form a nucleus of a small stud farm. It is as yet too early to report on the results of the experiment. An area of land in the vicinity of the town was also fenced in and planted with tussac grass. This plantation should in time furnish a valuable source of winter food for the town cattle at times when the pasture on the Common is insufficient for their support.

No houses were built during the War. During the year the shortage of housing accommodation came to be acutely felt, and the Government took steps to relieve the situation by ordering several wooden dwellings from England. The houses, however, did not arrive before the close of the year.

The drainage and sanitary conditions of Stanley are far from satisfactory. It is hoped that from investigations instituted during the year a scheme will be evolved for the general improvement of the town.

The people of Stanley took a keen interest in the revival of the annual Flower Show and Industrial Exhibition which was held in February of the year for the first time since its discontinuance during the War. The objects of the exhibition are purely instructional and aim towards the encouragement of gardening and the home pursuits on which the welfare and interest of the average householder in Stanley so much depend.

The health of the Colony was good, no sickness of a serious character occurring during the year.

II.—FINANCIAL.

(*a*) Revenue.

The revenue for the year 1922, excluding land sales and a sum of £106 set aside for the purpose of forming a Marine Insurance Fund, amounted to £37,536, as compared with £36,865 from normal sources for the previous year.

The following table is a comparative statement of the revenue for the years 1920, 1921 and 1922 :—

Head of Revenue.	1920.	1921.	1922.
	£	£	£
Customs Duties	4,847	4,998	3,635
Post Office Receipts	3,175	2,035	1,556
Land Tax	8,694	8,467	8,239
Interest	12,141	12,883	11,150
Other sources	2,155	8,482	12,956
	£31,012	£36,865	£37,536
Land Sales	7,392	7,884	7,101
Marine Insurance Fund	—	—	106
Totals	£38,404	£44,749	£44,743

Of the ordinary revenue in 1922, £15,759 or 41·9 per cent. was derived directly from the land as follows :—

	£
Rents	295
Interest derived from Land Sales Investments	7,225
Revenue from Land Tax	8,239
	£15,759

Approximately one-third or £12,556 was derived from taxation as follows :—

	£
Land Tax	8,239
Stanley Rates	368
Customs Duties, Licences and Royalties	3,949
	£12,556

Direct taxation yielded £8,607. Of this sum the farmers contributed 95·7 per cent. in payment of the graduated tax on land varying from ¼d. to 1*d*. per acre according to area. The remaining 4·3 per cent. was paid by the resident population of Stanley in the assessment tax of 1*s*. 3*d*. per £ on house property.

Customs import duties, licences and royalties yielded £3,949 or £1 17*s*. 0*d*. per head of the population.

(*b*) Expenditure.

The expenditure for the year 1922, excluding payments chargeable to the surplus balances of the Colony, amounted to £38,452. The ordinary expenditure was £37,160 or £376 less than the ordinary revenue.

The following is a comparative statement of the total ordinary and extraordinary expenditure in the years 1920, 1921 and 1922 :

	1920.	1921.	1922.
	£	£	£
Ordinary Expenditure ..	28,251	32,286	37,160
Public Works Extraordinary	830	2,868	1,292
Miscellaneous Extraordinary	—	4,552	—
Totals	£29,081	£39,706	£38,452

(c) Assets and Liabilities.

The balance of assets over liabilities at the end of 1922 amounted to £220,007.

The principal items were :—

	£
Land Sales Fund	174,379
Marine Insurance Fund	106
General Account	45,522
Total	£220,007

(d) Currency.

The legal tender currency is British sterling and a paper currency of 5*s*., 10*s*., £1 and £5 notes issued by the Colonial Government under an Order in Council of Queen Victoria, dated the 7th of March, 1899.

The total face value of the notes in circulation remained at £20,000, the same as in 1921, though there were indications, towards the close of the year, that this sum was somewhat in excess of currency requirements. During the year notes to the value of £5,490 were withdrawn and cancelled and replaced by new notes of a total equivalent value.

Of the sum of £20,000 representing the total value of notes in circulation £12,000 remained on investment with the Crown Agents and £8,000 in coin with the Commissioners of Currency.

The total income derived from invested securities amounted to £601 as against an expenditure of £217.

(e) Banking.

There are no banking facilities in the Colony with the exception of those offered by the Government Savings Bank, which was instituted in 1888. The financial year of the Savings Bank is from the 1st of October to the 30th of September.

On the 30th of September, 1922, there were 805 active deposit accounts in this Bank with the aggregate sum of £123,891, due to depositors. These figures represent an average of £154 for each account or nearly £52 per head of the population.

The total amount deposited during the year was £17,956 as compared with a sum of £26,335 withdrawn. The deposits averaged £1,496 monthly and the withdrawals £2,195.

The rate of interest paid on deposits is 2½ per cent., which is credited to the depositors' accounts at the end of the financial year.

(f) General.

There is no public debt. No public works on a scale involving expenditure which could not be met from current revenue have for many years been undertaken. The cost of certain schemes, at present only in their initial stages, for the improvement of Stanley is being charged to accumulated funds which have also been made to bear the cost of the patrol vessel recently acquired by the Government for the protection of the fur seal. There is little or no outlet locally for the investment of private capital. This, no doubt, explains the comparatively large sums lying idle in the Savings Bank.

III.—TRADE, INDUSTRIES AND SHIPPING.

Imports.

The total value of imports into the Colony during 1922 was £112,298.

The following table shows the value of the imports for the years 1920, 1921 and 1922 :—

	1920.	1921.	1922.
	£	£	£
Food, Drink and Tobacco ..	77,745	48,888	36,247
Raw Materials and articles mainly unmanufactured	17,673	12,577	8,972
Articles wholly or mainly manufactured	95,298	74,816	59,230
Live Stock	12,251	1,648	7,824
Bullion and Specie	7,035	—	25
Total	£210,002	£137,929	£112,298

The principal articles imported into the Colony during 1922 were the following :—

	Value.
	£
Groceries	22,534
Coal and Coke	7,355
Live Stock	7,824
Hardware	9,035
Furniture	6,298
Drapery	13,011
Wearing apparel	6,992

The country of origin of the imports is shown below :—

United Kingdom	£93,698
Total from British Empire	£93,698
	£
Argentina	466
Chile	12,635
France	15
Norway	301
Uruguay	5,183
Total, Foreign Countries ..	£18,600

There are no import duties except on wine, malt liquors, spirits and tobacco.

The annual quantity of malt liquors and spirits imported into the Colony has been as shown in the following table :—

	1920. Gallons.	1921. Gallons.	1922. Gallons.
Spirits	3,227	4,129	2,594
Malt liquors	14,713	13,039	9,300
Total	17,940	17,168	11,894
Revenue received	£2,765	£3,429	£2,127

EXPORTS.

The total exports were valued at the port of shipment at £103,622.

The following is a comparative table :—

Article.	1920. lbs.	1921. lbs.	1922. lbs.	1920. *Value.* £	1921. *Value.* £	1922. *Value.* £
Wool ..	4,510,607	4,039,200	4,783,200	269,170	124,155	94,368
Tallow ..	535,360	117,600	303,520	21,798	909	4,590
	No.	No.	No.			
Sheepskins	86,447	20,120	65,680	36,200	2,009	2,993
	Cases.	Cases.	Cases.			
Tinned Meat	4,794	—	—	23,127	—	—

INDUSTRIES.

As has been indicated in previous reports, sheep farming is the one industry on which the trade of the Colony depends. The production of wool is at present the sole consideration.

During the year, 7,972 bales or approximately 4,783,200 lb. of wool were exported. The value of this produce was estimated for Customs purposes at £94,368, based on the very low prices obtained during 1921.

In 1922 there was a steady upward tendency in the price of wool which in December reached the comparatively high prices of 1*s.* to 1*s.* 5*d.* per lb., for fine grade produce. This compared with the prices of 8½*d.* to 1*s.* ruling throughout 1921 is a distinct advance. The market shows signs of still further improvement.

The industry may now be said to have safely emerged from the recent crisis in its history occasioned by the slump in the price of wool. Until, however, its position has been strengthened by development along economic lines and the fullest possible use of the land has been secured, its future stability and prosperity must remain matters of uncertainty. The industry has recently been examined from its inception in all its aspects with the object of initiating investigation into the best means of its development and the removal of the difficulties with which the sheep farmers have to contend. It is clear from the outset that methods which were at one time successfully employed in the utilization of areas of what was then comparatively virgin soil can no longer hold good after many years of stocking.

Progress in the industry seems to lie most directly along the lines of sub-divisional fencing with the object of improving the pasture by spelling different areas for a certain period in each year and of withdrawing old and worn-out sheep regularly from the flocks in order that sufficient pasturage may be available for young stock. The high cost of materials during the War made fencing in most cases financially impossible. The chief economic handicap under which Falkland Islands farmers suffer is the absence of a profitable market for their surplus stock. Present difficulties would be removed by the establishment of a freezing factory in the Colony, and there is little doubt that such an undertaking would follow if it could be shown that an adequate and constant supply of animals for freezing purposes could be guaranteed. It is apparent, however, that with farming as it is at present carried on in the Colony many alterations would have to be made in breeding and in the composition of flocks if a freezing factory were established.

The following is a summary of the latest statistics available regarding the number of sheep in the Colony :—

Number of Sheep	666,175
Number of Breeding Ewes	250,529
Number of Hoggets	134,324
Percentage of Hoggets to Breeding Ewes	53·6%

The general health of the flocks was good, but there were signs that the sheep were lacking in stamima.

The number of hoggets represents the total number of lambs surviving from the previous year's lambing as none are killed or sold. It is in regrettably low proportion to the breeding ewes, but there has been a steady decline in lambing percentages in recent years.

The breed of sheep is a cross-bred Romney ; all the wool sent home is in the grease.

SHIPPING.

The total number of vessels which entered the Colony during the year was 50 with a tonnage of 89,818, as compared with 49 and a tonnage of 74,765 in 1921. Of these 15 with a tonnage of 63,418 were British.

The following table shows the number, nationality and description of vessels entered :—

	British.		Foreign.	
	Number.	Tonnage.	Number.	Tonnage.
Steamships	15	63,418	35	26,400.

IV.—EDUCATION.

The education of children between the ages of five and fourteen years is compulsory under the Public Education Ordinance, 1909. In Stanley there are two elementary schools, one conducted by the Government and one under Roman Catholic management. The children in the country districts are taught by travelling teachers of whom four, during the year, were provided by the Government and two by the Falkland Islands Company, Limited. The Company also retain a resident teacher at their head station at Darwin.

There is no provision for secondary education in the Colony.

The following statement shows the number of children taught during the year :—

	Boys.	*Girls.*	*Total.*
At the Government School ..	79	60	139
At the Roman Catholic School	19	48	67
By the Government Travelling Teachers	47	46	93
By the Falkland Islands Company's Teachers ..	35	35	70
Totals	180	189	369

The existing arrangements for the education of the children in the country districts can neither be regarded as satisfactory nor adequate, and the need for improvement in the system is generally felt. Towards the end of the year the Government Schoolmaster submitted, for consideration, a scheme for increasing the facilities for elementary education in the Colony generally and for providing at the Government School a two years' course of further education beyond the elementary stage.

V.—CLIMATE.

Complete statistics are not available for the year. In May a Meteorological Station was established at Stanley under the care of the Harbour Master.

The rainfall for the year was low. Continuous dry weather was experienced for 54 days in the months of November and

December. The largest number of days on which rain fell in one month was recorded in September. The highest temperature recorded was in December when 69° was reached.

An examination of past records shows that the mean daily maximum temperature is highest in January (55° F.) and the lowest in July (40° F.). The mean daily minimum is 45° in January and 33° in mid-winter. On only about four days in the year does the maximum temperature exceed 62·6° F. On the other hand, minimum temperatures below 31·0° F. may be expected on about 50 days in each year. The average daily sunshine is 3 hours 48 minutes. In January it is over 6 hours. During the year an average of 177 days or nearly half have less than 3 hours of bright sunshine. At Stanley the average rainfall is 26·43 inches as against 23·80 at Kew. The rainfall is distributed among a large number of days so that an excessive fall in one day is not common. Constant strong winds prevail during the months of October, November and December, rising at daybreak and falling towards evening. Severe storms are of less frequent occurrence and intensity than in the United Kingdom.

The average temperature in West Falkland is higher than in the East Island. This is thought to be due to the presence of a warm current which exists in the vicinity.

There is little doubt that the climate is on the whole one of the most salubrious in the world. There are neither endemic nor epidemic diseases. It has frequently been stated that there is some danger in the alleged rigour of the climate for persons predisposed to pulmonary affections, but no support can be found for the theory, and medical officers stationed in the Colony have given it as their opinion that the Falklands can be recommended as a health resort for such persons.

VI.—COMMUNICATION.

The total number of vessels carrying mails in 1922, including inward and outward mails, was 18. The number of mails received direct from the United Kingdom was 9 and from the United Kingdom via Panama 1. Mails despatched to the United Kingdom either direct or via Monte Video totalled 5 and mails sent either via Panama or the Andes 18. South American mails totalled 34, being 16 inward and 18 outward.

A fairly regular mail service at intervals of about six weeks was maintained between the United Kingdom and the Colony. Only one passenger steamer sailed from Stanley direct for the United Kingdom via Monte Video.

The inter-insular mail service was more frequent and regular than in the previous year. This was due to the opportunities afforded for communication by the Government Patrol boat.

There is a wireless service with Monte Video whence messages are cabled. The cost per word in 1922 was 4*s.* 3*d.* A small station on West Falkland Island maintains communication with Stanley.

VII.—VITAL STATISTICS.

The following table shows the number of births and deaths registered in the Colony during the year :—

	Births.		
	Males.	*Females.*	*Total.*
Stanley	15	12	27
East Falkland (not including Stanley)..	12	10	22
West Falkland	3	3	6
Totals	30	25	55

	Deaths.		
	Males.	*Females.*	*Total.*
Stanley	6	8	14
West Falkland	—	1	1
Totals	6	9	15

The estimated population on the 31st of December, 1922, was 1,205 males and 937 females, a total of 2,142.

VIII.—DEVELOPMENT OF RESOURCES.

The final report by the Geologist appointed by the Government to investigate the mineral resources of the Colony is not yet available, but in a progress report the Geologist stated that given the area under examination he had never seen a series of rocks so barren from the point of view of included minerals.

During the year the Imperial Institute reported on samples taken from the penguin guano deposits of the Colony. From the analysis of the guano made it does not appear that the deposits could be exploited as a sound commercial undertaking.

The measures indicated in last year's report as being taken for the protection and farming of the fur seal were continued throughout the year. An effort to re-establish and foster an industry of this nature after so many years of sealing without supervision must necessarily be attended with great difficulties. It is as yet too early to discuss the prospects of the ultimate success of the experiment.

Tree planting was continued during the year. Progress in this direction is necessarily slow. The absence of suitable shelter and the acidity of the soil are among the obstacles to be overcome. Of the plantation laid out in the vicinity of Stanley only the conifers survived, the hardwood trees soon succumbing. The Austrian and Corsican pines showed most signs of life and seem to be the trees best adapted to this country.

Many conjectures have been made regarding the possible resources of the Colony and many schemes have been proposed for extending its industries and trade. The remoteness of markets,

the difficulties in communication and the high cost of imported materials all tend to discourage projects which might otherwise prove practicable. While the investigations made in different directions have been of value in improving the imperfect scientific knowledge of the country which has hitherto existed, they have without exception proved fruitless from a commercial point of view. There is little hope of commercial development through new industries, and the prosperity of the Colony must in the future, as in the past, rest mainly on the development of its resources as a sheep country.

IX.—SOCIAL.

The cost of living in the Colony was comparatively low. The slightly higher cost of certain commodities was due to fluctuations in the South American market from which the articles had to be obtained, but the general tendency of prices was to drop rather than to increase. There is no income tax and Stanley is a free port except for wines, spirits, malt liquor, and tobacco.

Wages on the farm stations were from £7 to £8 a month with quarters, fuel and milk found.

Town labourers were paid £11 per month or 1*s.* an hour and tradesmen from £15 to £16 or 1*s.* 4½*d.* an hour. Mutton cost 3*d.* a lb., with bread 3½*d.* a lb., milk 1*s.* a quart and eggs 3*d.* each. The ordinary cost of living in a boarding house in Stanley was from 30*s.* to 60*s.* a week.

Labour troubles were completely absent in 1922; the balance between supply and demand was, as usual, very evenly kept.

DEPENDENCIES.

INTRODUCTION.

GEOGRAPHICAL.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

DESCRIPTIVE.

The island of South Georgia is a mass of high mountains covered with snow, where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or

less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster at Deception Island in the South Shetlands. These Dependencies are, however, ice free for some four or five months in the year only.

Captain Cook described these regions as " a country doomed by nature never once to feel the warmth of the sun's rays, but to lie buried in everlasting snow and ice....a coast which when discovered and explored, would have answered no end whatever, or have been of the least value, either to navigation or to geography or indeed to any other science." It is from this region that merchandise, valued at over two million pounds sterling, is derived each year and on which so much scientific interest has of late been centred.

HISTORICAL.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth, seventeenth and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or to pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith in the snow " Williams " of Blyth took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819–20, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British whalers were met there in 1819. The fur seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820–21 and 1821–22. They are said to have practically exterminated the fur seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

I.—GENERAL OBSERVATIONS.

The Dependencies, in contradistinction from the Colony, are inhabited almost exclusively and utilised mainly by foreigners. The Norwegians were first in the field and credit must be given to them for their initiative and energy.

The Dependencies are governed from the Falkland Islands with a central administration in common. Laws passed by the Legislative Council of the Colony are, however, only in force in the Dependencies if specifically applied. A permanent official staff of two Magistrates, two Customs Officers and one Police Constable is maintained at South Georgia, while such control as is possible of the South Shetlands whaling fleet is carried out by a Magistrate and a whaling officer who accompany the fleet south in November and return with it in April.

South Georgia is the only part of the Dependencies which is permanently habitable. Five land stations have been established there by whaling companies, sites of the usual extent of 500 acres being taken up for periods of twenty-one years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale catchers without the payment of additional licence fees. The harbours in the other Dependencies are ice bound for about seven months in the year, and the work of boiling down is done on board floating factories. There are also land stations at Deception Island and at the South Orkneys, the personnel of which arrive and return with the whaling fleets.

Low prices were realized for the oil produced during the 1921–22 season and it was found necessary to relieve the industry by refunding a proportion of the customs duties paid on the oil exported. The season 1922–23 opened with a scarcity of whales.

It has been the policy of the Colonial Office that the revenue derived from the Dependencies should, as far as possible, be devoted to the development of their resources.

II.—FINANCIAL.

During 1922 the revenue derived from the Dependencies was £142,102 and the local expenditure £12,939.

Under instruction from the Secretary of State for the Colonies the surplus of Dependencies' revenue, after providing for local services and paying for the cost of the central administration in the Falklands, is earmarked for research and development purposes. Owing to the low prices for oil ruling in the European market a refund of 1*s.* 6*d.* a barrel was made to the exporters in respect of the 1921–22 season. The Research Fund on the 31st of December, 1922, stood at £115,771.

The total excess of Assets over Liabilities at the end of the year was £208,548.

The legal tender currency is British sterling and Falkland Islands notes.

There are no banking facilities and the export duty is paid locally by drafts on which a remittance rate of 1 per cent. is charged.

III.—TRADE, INDUSTRIES AND SHIPPING.

TRADE.

The value of the total trade of the Dependencies in 1922 was £2,894,207, of which £2,504,944 represents exports and the balance imports.

INDUSTRIES.

The development of the Dependencies has been rapid, and it is not yet proved that whaling in these waters will, as has happened elsewhere in the world, exhaust the supply. Fortunately the industry has been controlled by the Falkland Islands Government from its commencement; the keen interest taken in it by the Imperial Government and the British Museum has been of great value.

Apart from sealing on a small scale at South Georgia, whaling is the sole industry. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season to the period from the 1st of March to the 31st of October

The progress of the whaling industry since it assumed large proportions in 1908 is best shown by the following table :—

Year.	Whale Catchers.	Whales Captured.	Barrels of Oil.	Average of barrels per whale.	Value. £
1909–1914 (average) ..	42	8,314	304,002	36·57	822,451
1915–16 ..	57	11,792	558,805	47·39	1,856,384
1916–17 ..	44	6,474	361,087	55·77	1,542,323
1917–18 ..	48	4,313	258,476	59·91	1,658,215
1918–19 ..	49	4,838	232,371	46·82	1,725,444
1919–20 ..	43	5,247	256,252	48·84	2,748,852
1920–21 ..	48	8,520	383,816	45·05	1,559,467
1921–22 ..	50	6,955	448,885	64·54	2,244,390

In addition to the 448,885 barrels of whale oil produced during the year the sealing operations yielded 2,713 barrels of oil as compared with 2,401 barrels collected in the previous year.

The values in the above table are based on conventional customs valuations and those for previous years are not very reliable. The value given for 1922 may, however, be taken as an accurate indication of the value based on the rate of £30 a ton, which was the average price of oil on the European market during the year.

The average of 64·54 barrels per whale is the highest recorded.

SHIPPING.

The following table shows the number of steamships which entered at South Georgia during 1922 :—

British.		Foreign.	
Number of Steamships.	Tonnage.	Number of Steamships.	Tonnage.
16	25,911	18	19,488

There is no port of entry in the other Dependencies and all ships for South Shetlands must enter at the Falkland Islands or at South Georgia.

Towards the close of the year two beacon lights were conveyed to the South Shetlands for erection on Deception Island. These should prove of great benefit to shipping.

IV.—CLIMATE.

Five meteorological stations are maintained at South Georgia by the whaling companies with shore factories and one is maintained in the South Orkneys by the Argentine Government. The returns from the latter are not sent to the Colony.

The average temperature at South Georgia is 36° ; in January and February it is 46·2°, and in the three coldest months, June, July and August, it is 27·9°.

During the year 1922 rain fell on 121 days. A total rainfall of 59·3 inches was recorded, the greatest rainfall being in February with 8·9 inches rain. Observations over three years in South Georgia show that snow falls on an average on 124 days in the year and hail on 43.

The average number of occurrences of winds of gale force is only three per annum. No gales have yet been recorded in January. The mean wind force for 1922 was 1·88.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness is caused by the absence of fresh provisions, but the climate is undoubtedly healthy.

V.—COMMUNICATION.

There is no direct communication between South Georgia and the Falkland Islands. Vessels for this Dependency call at South American ports on their way out and there is more or less regular communication between South Georgia and Buenos Aires.

The South Shetlands whaling fleet calls at Stanley on the way south in November and again on the return in March–April.

There is no wireless telegraph station in the Dependencies, but communication is sometimes possible between steamers engaged in the whaling industry and the Colonial Government Station at Stanley.

VI.—POPULATION.

South Georgia has a fluctuating population of over 1,000.

The population on the 24th of April, 1921, when a census was taken, was 1,337, of whom three were females. Of the whaling population no fewer than 998 were natives of Sweden or Norway.

G. R. L. BROWN,
Officer-in-charge of the Secretariat.

Colonial Secretary's Office,
Stanley, Falkland Islands.
22nd September, 1923.

The following recent reports, etc., relating to his Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1150	Sierra Leone	1921
1151	Uganda	,,
1152	Somaliland	,,
1153	Kenya Colony and Protectorate (April–December)	,,
1154	Gold Coast	,,
1155	Nigeria	,,
1156	Nyasaland	1922
1157	Falkland Islands	1921
1158	Weihaiwei	,,
1159	Cyprus	1922
1160	Gambia	,,
1161	New Hebrides	,,
1162	Nyasaland	1921 & 1922
1163	Zanzibar	1922
1164	St. Helena	,,
1165	Sierra Leone	,,
1166	Trinidad and Tobago	,,
1167	Bermuda	,,
1168	Grenada	,,
1169	St. Lucia	,,
1170	Leeward Islands	,,
1171	Fiji	1921–1922
1172	Ceylon	1922
1173	Gibraltar	,,
1174	British Guiana	,,
1175	Barbados	,,
1176	Basutoland	1922–1923
1177	St. Vincent	,,
1178	Bechuanaland Protectorate	,,
1179	Mauritius	1922–1923
1180	Swaziland	1922
1181	British Honduras	,,
1182	Uganda	,,
1183	Federated Malay States	,,
1184	Unfederated Malay States	,,
1185	State of Brunei	,,
1186	Straits Settlements	,,

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oil-seeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

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No. 1242.

FALKLAND ISLANDS.

REPORT FOR 1923.

(For Report for 1922 see No. 1187.)

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ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1923.

FALKLAND ISLANDS.

INTRODUCTION.

Geographical.

The Falkland Islands comprise a group of islands in the South Atlantic Ocean, lying some 300 miles east and somewhat to the north of the Straits of Magellan. The geographical position is between 51° and 53° S. latitude and between 57° and 62° W. longitude. There are two main islands, known as the East and West Falkland, which are divided by a sound running approximately north-east. There are numerous smaller islands clustered round each of these. The area of the group, as computed by measurement from the Admiralty Chart, is as follows :—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of Group	4,618

Descriptive.

The Falkland Islands are in general appearance treeless, bleak and inhospitable. The scenery generally is said to resemble parts of Scotland and the northern islands, where somewhat similar climatic conditions prevail. There are no rivers navigable at any distance from the coast, but there are numerous excellent harbours. There are no high mountains, the highest point in the group being Mount Adam, 2,315 ft., in the West Falkland. The country may best be described as in the narrative of the "Challenger" Expedition as a "treeless expanse of moorland and bog and bare and barren rock."

The only town is Stanley, the capital, situated on an excellent natural harbour entered from Port William, at the north-east corner of the group. There are some 890 residents only. Beyond the limits of the town there are no roads, and all inland travel is done on horseback, with pack horses for transport. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which the country is divided.

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Historical.

A group of six or seven islands situated to the east of the Patagonian coast appears in maps of South America from 1507 onwards. No written record remains of their discovery, but it is probable that they may have been what are now known as the Jason Islands, lying to the extreme north-west of the Falklands. They were subsequently seen on the 24th of January, 1600, by the Dutch navigator, Sebald de Weert, and were named after him. Meanwhile, part of the Falkland Islands group was sighted by John Davis, master of the "Desire," on the 14th August, 1592, and his is the first known written mention of them. From his discovery they were called Davis' Southern Islands. In February, 1594, the first inspection of the Falklands was made by Sir Richard Hawkins in the "Dainty," a vessel of 400 tons. He coasted round a considerable part of the group and described the country at length. He made some inaccurate deductions from what he saw and in the narrative of his voyage he gives the latitude, by manifest error, possibly in transcription, three degrees out, but there can be no reasonable doubt that he actually surveyed the Falkland Islands and was the first to describe them. It was not until 1690 that any landing was made. On the 27th of January (Old Style) in that year, Captain Strong visited the islands, in a vessel called the "Welfare," sailing up the sound between the East and West Falkland and naming it "Fawkland Sound." He landed at several points, obtaining geese, ducks and fresh water. The naming of the group as the Falkland Islands derives its origin from Captain Strong's visit.

During the first half of the 18th century adventurers, in vessels fitted out at St. Malo, visited the islands which then obtained the name from the French of Iles Malouines, transformed later by the Spaniards to Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a spot named Port Louis in Berkeley Sound, a few miles north of Port William. A British garrison was posted at an island in the West Falkland in 1766, England reasserting her claim to the sovereignty of the group, which had been formally proclaimed in the previous year at the same place, on the ground of priority of discovery. In 1767 France ceded her rights in the country to Spain for the sum of £25,000. Three years later a squadron of five frigates drove out the British garrison, but the action was disowned by the Spanish Government, and the garrison was restored by Spain in 1770. In 1774 the post was temporarily abandoned. It is believed that the Spanish garrison was withdrawn in 1800. According to Admiral Fitzroy "From 1810 to 1820 there was no person upon these islands who claimed even a shadow of authority over them." In November of the latter year the flag of "The United Provinces of South America" was hoisted with a claim to sovereignty. There does

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not appear to have been any occupation until 1823, when one Louis Vernet, a German, obtained a concession from the Buenos Aires Government for the use of the fishery, cattle and tracts of land in the East Falkland. The action of this Government was scarcely known in Europe until 1829, when a formal protest was made by Great Britain. In the same year Vernet was appointed Governor of the islands by the Government of the United Provinces of South America. In 1831 his settlement was, however, broken up by a United States corvette, and many persons, including his agent, were deported in retaliation for an exercise by him of his fishery rights against American sealers. Some years later, and after further British occupation, Vernet accepted compensation in full for all his property left in the islands. In January, 1833, Great Britain, following up the warnings given four years previously, reassumed occupation, and settled and developed the islands. The settlement was in charge of naval officers down to 1842, when Richard Clement Moody, a subaltern in the Royal Engineers, was appointed Lieutenant-Governor. He was raised to the rank of Governor shortly afterwards.

The Colony received grants-in-aid from the Imperial Government down to 1880, since which time it has been self-supporting.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official members, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Legislative Council are appointed by warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—GENERAL OBSERVATIONS.

The Falkland Islands are inhabited almost exclusively by people of pure British origin. The descendants of the early pioneers now own the greater part of the land.

The Colony is entirely divided into sheep farms. Nearly one-third of the total area is owned by the Falkland Islands Company, who own more than one-third of the sheep. The balance of the land is shared between nineteen farms running over 10,000 sheep, and nine with less than that number. Of the larger farms there are only ten managed by resident owners or members of their families.

From the time of the foundation of the Colony to the present date there has been a succession of Governors who have endeavoured to develop her resources in every direction in which their inclination led them or the funds at their disposal allowed.

Fisheries, shipwrighting, peat, coal, oil, guano and gold have all had their turn, whether through private or public effort, but the conclusion has been forced on the present Administration, at least, that the first and most urgent demand on the resources available for development purposes is that they should be devoted to the sheep industry. It is realized that the whole wealth of the Colony is derived from the wool produced, and has been mainly so derived since the country became self-supporting.

On the whole, 1923 was a prosperous year for the Colony. The wool market was firm; there was, with insignificant exception, no crime and the health of the people was good.

II.—FINANCIAL.

(a) *Revenue.*

The revenue for the year 1923 was £47,795, as compared with £44,743 in the previous year and an average of £42,672 for the last three years.

There are no import Customs duties except on spirits, wine and tobacco, which yielded a revenue of £4,319. Deducting the amount derived from the sale of land, the interest on investments and a contribution of £5,000 paid by the Dependencies of the Colony towards the cost of the central administration, there remains the sum of £16,658 only paid out by the Colonists in taxation. This is less than 10 per cent. of the value of the total exports of articles of domestic produce.

(b) *Expenditure.*

The expenditure during the year of record amounted to £42,868. The following is a comparative statement of the total ordinary and extraordinary expenditure in the years 1921, 1922 and 1923 :—

	1921.	1922.	1923.
	£	£	£
Ordinary Expenditure ...	32,286	37,160	32,554
Public Works Extraordinary	2,868	1,292	8,514
Miscellaneous Extraordinary	4,552	—	1,800
	£39,706	£38,452	£42,868

Apart from the cost of the maintenance of a patrol boat for seal fishery protection, the heaviest expenditure was involved by the upkeep of the Medical Department at £3,558, followed by Public Works Recurrent, £3,092, and the Post Office, which includes a wireless station and is revenue-producing, £2,492.

(c) *Assets and Liabilities.*

The balance of assets over liabilities at the end of 1923 amounted to £220,435. This includes a land sales fund of the value of £182,453, and £37,770 on general account.

(d) *Currency and Banking.*

The legal tender currency is British sterling and a paper currency of 5*s*., 10*s*., £1 and £5 notes issued by the Colonial Government under an Order in Council dated the 7th March, 1899. The total face value of the notes in circulation was, during the year, reduced from £20,000 to £18,000.

There are no banking facilities in the Colony with the exception of those offered by the Government Savings Bank, which performs only the functions of a Post Office Savings Bank in the United Kingdom. Persons remitting money to the Colony should, therefore, avoid sending cheques which cannot be cleared or discounted locally. Remittances can be sent through the Crown Agents for the Colonies for the credit of any person in the Colony.

There were, on the 30th of September, 1923, 821 deposit accounts in the Savings Bank, with an aggregate sum of £120,965 to their credit. This represents the average of £148 in each account, or £56 per head of the population. £19,612 was withdrawn and £25,434 deposited during the year. Interest at the rate of 2½ per cent. is paid on deposits for 12 months.

(e) *General.*

There is no public debt and no large sums have hitherto been spent on the development of the resources of the Colony or the improvement of conditions. During the year consideration was given to the schemes for progress initiated in 1922. The isolation of this small Colony, the great expense ordinarily attendant on procuring expert professional advice, the lack of funds and the absence of means of attraction for outside capital have in former years proved a serious, if not an insuperable stumbling block, in the way of development.

III.—TRADE, INDUSTRIES AND SHIPPING.

Trade.

	1921.	1922.	1923.
	£	£	£
Imports	137,929	112,298	141,080
Exports	130,006	103,622	167,440
Total Trade ...	£267,935	£215,920	£308,520

Imports.

There are no import customs duties except on spirits 15*s*. per gallon, wine 2*s*., and beer 6*d*. a gallon in bulk, tobacco 3*s*. a lb., and cigars 5*s*. a lb.

The principal articles imported into the Colony during 1922 and 1923 were as follows :—

	1922.	1923.
	£	£
Groceries	22,534	25,110
Coal and Coke	7,355	4,715
Live Stock	7,824	7,435
Hardware and Machinery	9,035	37,085
Furniture	6,298	8,011
Drapery	13,011	10,621

The country of origin of the imports is shown below—

	Value.	*Percentage of Total Imports.*
	£	%
United Kingdom	117,749	83·47
Chile	15,779	11·18
Uruguay	4,673	3·31
Argentine	1,737	1·23
Others	1,142	·81

The quantity of spirits and malt liquor imported into the Colony during each of the past four years has been as shown below :—

	1920. *Gallons.*	1921. *Gallons.*	1922. *Gallons.*	1923. *Gallons.*
Spirits	3,227	3,993	2,594	3,729
Malt liquors ...	14,713	16,072	9,300	5,273
Wines	1,530	1,888	929	1,161

It may be deduced from the above figures and from the vital statistics of the Colony that the average annual consumption per head of the adult male population is four gallons of spirits, fifteen of beer, and one of wine.

Exports.

The value taken for the exports is that at the port of shipment. The exports of domestic produce other than wool, valued at £142,755, live sheep £9,675, and sheepskins £7,431, were negligible; 127 fur sealskins of a nominal value of £500 were sent to the United Kingdom, as against 96 skins in 1922.

An Ordinance was passed at the end of 1923 imposing an export tax of 1*s.* on each 25 lb. of wool exported. It was anticipated that a revenue of approximately £9,000 per annum would be derived from this source. Ordinance No. 5 of 1918, imposing a tax of ¼*d.* to 1*d.* on land, according to area, was at the same time repealed. It is noteworthy that the new export tax was imposed at the request of the wool growers, who considered this a more equitable form of taxation than any other measure designed to produce the same revenue.

Industries.

As has been indicated in the earlier part of this report, the sole industry in the Colony is sheep-farming.

During the year 1923, 7,661 bales, approximately 4,596,600 lb. of wool, were exported to the United Kingdom. The value given for Customs purposes was £142,755. The average of the exports for the previous four years was 7,641 bales, valued at £192,884.

36,136 live sheep were exported to the Argentine, the sale price averaging 5*s*. 4*d*. a head. It has been reported that 10,000 were eventually disposed of to a freezing concern, the remainder being fattened for consumption in the country.

The winter was exceptionally severe and the losses among live stock of all kinds heavy. It is not surprising therefore that the lambing was bad, but as poor lambings have been a feature of recent years it is probable that the condition of the pasture and of the flocks is more to blame than the climate. The weather was, on the whole, dry when the ewes lambed and the feed after a late winter was notably abundant.

The following is a comparative table of the numbers of sheep in 1922 and 1923 :—

	1922.	1923.
Sheep	666,175	637,210
Wethers	189,686	195,395
Breeding Ewes	250,529	257,867
Hoggets	134,324	117,693
Percentage of Hoggets to Breeding Ewes of previous year	59·67%	46·1%

As no lambs are killed or sold the numbers of hoggets represent the survivals from the previous year's lambing. The record is far from encouraging. The leading wool growers are, however, working in co-operation with the Government with a view to solving the all important problems connected with the decline in the prosperity of the industry.

The serious effects of the decline have not yet been appreciably felt financially owing to the steady rise in the price of wool, but the farmers, more particularly in the West Falklands, where the flocks are decreasing more rapidly than in the East, have every ground for anxiety.

Shipping.

The nationality, number and tonnage of vessels which entered the Colony during 1923 are shown in the following table :—

Nationality.	*Steam-ships.*	*Tonnage.*	*Sailing ships.*	*Tonnage.*
British	13	57,054	1	25
Chilean	—	—	3	208
Norwegian	35	24,436	—	—
Spanish	4	10,128	—	—
Total	52	91,618	4	233

IV.—EDUCATION.

The following statement shows the number of children taught during the year :— .

	Boys.	*Girls.*	*Total.*
Government School	91	60	151
Roman Catholic School	26	57	83
Government Travelling Teachers ...	29	24	53
Falkland Islands Company's Teachers ...	30	25	55
Totals	176	166	342

Frequent mention has been made in former years of the difficulties attendant on the provision of educational facilities for children in the outlying settlements and the homes of the shepherds. The system of sending uncertificated and untrained travelling teachers round the country to spend from two to six weeks during the year at each place could only be regarded as an inadequate makeshift, but it has served its turn well. Parents of young children in the camp have always been very reluctant to send their children to Stanley, even where they could afford the cost. During 1923 the Secretary of State approved a scheme prepared by Mr. Hoare, Government Schoolmaster, whereby the Government undertook to board, lodge and educate children from the country districts at a cost to the parents of £1 a month only. A subsidy of £2 a month for each child was also offered to be paid to friends or relations of the parents who preferred that their children should live with them rather than at the Government Hostel.

V.—CLIMATE.

The climate of the Falklands, though trying on account of the continuous high winds in the summer months, is very healthy. It is generally described as rigorous, but this is misleading. There are seldom heavy frosts, and snow, which never lies long, is rarely more than ankle deep. Severe storms are

of less frequent occurrence and intensity than in the United Kingdom. Rainfall is well distributed over the year. The average fall is 26·43 inches per annum, or slightly more than at Kew. Although the temperature seldom rises above 63 degrees, it falls below freezing point on about 50 days only throughout the year.

The mean daily maximum temperature is 55 degrees in January and 40 in July, while the mean minimum is 45 in January and 33 in midwinter. Fogs and mists inland are very uncommon.

The average daily bright sunshine is over six hours in January and three hours forty-eight minutes over the whole year.

The winter of 1923 was exceptionally severe and was prolonged into November. The effect on the mortality of the sheep was serious. As, however, commonly happens with a late winter, the pasturage benefited appreciably.

VI.—COMMUNICATIONS.

A fairly regular mail service with the United Kingdom was maintained in 1923 by the Pacific Steam Navigation Company. Eight mails were received, the time occupied in transit being four weeks. Homeward bound mails, via Panama, take up to seven weeks to reach England, but there are opportunities in the autumn for direct communication for passengers and mails. The ordinary postal rate is 1*d*. per ounce within the British Empire, and 3*d*. per ounce to foreign countries.

The Colonial Government maintains two wireless stations. The normal range of the larger station at Stanley is 750 miles. A smaller station for inter-insular traffic has a range of 100 miles. The normal wave length is 600 metres. The bulk of the traffic goes to Monte Video, from whence the messages are cabled to Europe. The Chilean station at Punta Arenas in Patagonia also receives wireless messages and transmits them by the All-America route. The cost of cabling is 4*s*. 2*d*. a word to the United Kingdom and 1*s*. 2*d*. to Monte Video and Punta Arenas. The deferred rate is 2*s*. 6½*d*. a word to the United Kingdom.

VII.—VITAL STATISTICS.

The estimated population on the 31st of December, 1923, was 2,173, composed of 1,206 males and 967 females. The birth-rate was 16·3 per 1,000 and the death-rate 8 per 1,000.

VIII.—SOCIAL.

The cost of living is low in the country districts as in any similar pastoral community, but heavy freight rates make imported provisions costly.

The following prices give some indication of the cost of living :—Mutton 3*d*. a lb., beef 4½*d*. a lb., butter 2*s*. 8*d*. a lb., milk 1*s*. a quart, sugar 6*d*. a lb., bread 1*s*. 2*d*. a quartern loaf, tea 3*s*. a lb. Horses cost about £16, cows £4, sheep 12*s*. 6*d*. Board and lodging in Stanley cost from 4*s*. 6*d*. to 8*s*. a day.

Wages are from 1*s*. an hour for unskilled labour to 1*s*. 4½*d*. for tradesmen. Shepherds and farm hands receive £7 to £8 a month with quarters, fuel, meat and milk found. It costs farm labourers from 8*d*. to 1*s*. a day for all food.

There were no labour troubles in 1923.

DEPENDENCIES.

INTRODUCTION.

Geographical.

The Dependencies consist of the following groups of islands : South Georgia, the South Orkneys, the South Shetlands, and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

Descriptive.

The island of South Georgia is a mass of high mountains covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster, at Deception Island, in the South Shetlands. These dependencies are, however, ice free for some four or five months in the year only.

Captain Cook described these regions as " a country doomed by nature never once to feel the warmth of the sun's rays, but to lie buried in everlasting snow and ice . . . . a coast which, when discovered and explored, would have answered no end whatever, or have been of the least value, either to navigation or to geography or, indeed, to any other science." It is from this region that merchandise, valued at over two million pounds sterling, is derived each year and on which so much scientific interest has of late been centred.

Historical.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth, seventeenth and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith, in the snow " Williams " of Blyth, took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819–20, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British Whalers were met there in 1819. The fur-seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820–21 and 1821–22. They are said to have practically exterminated the fur-seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

I.—GENERAL OBSERVATIONS.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilized mainly by foreigners. The Norwegians were first in the field and credit must be given to them for their initiative and energy.

The Dependencies are governed from the Falkland Islands with a central administration in common. Laws passed by the Legislative Council of the Colony are, however, only in force in the Dependencies if specifically applied. A permanent official staff of two Magistrates, two Customs Officers and one Police Constable is maintained at South Georgia, while such control as is possible of the South Shetlands whaling fleet is carried out by a Magistrate and a whaling officer who accompany the fleet south in November and return with it in April.

South Georgia is the only part of the Dependencies which is permanently habitable. Five land stations have been established there by whaling companies, sites of the usual extent of 500 acres being taken up for periods of twenty-one years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale catchers without the payment of additional licence fees. The harbours in the other Dependencies are ice bound for about seven months in the year, and the work of boiling down is done on board floating factories. There are also land stations at Deception Island and at the South Orkneys, the personnel of which arrive and return with the whaling fleets.

Low prices were realized for the oil produced during the 1922–23 season and it was found necessary to relieve the industry by refunding a proportion of the customs duties paid on the oil exported.

It has been the policy of the Colonial Office that the revenue derived from the Dependencies should, as far as possible, be devoted to the development of their resources.

An Executive Committee was appointed in London during the course of 1923 to control the proposed investigations recommended by the Inter-Departmental Committee in 1919. The Committee, upon which the Admiralty, the British Museum, the Ministry of Fisheries and the Royal Geographical Society are represented, carries out its duties subject to the instructions of the Secretary of State for the Colonies.

II.—FINANCIAL.

The revenue derived from the Dependencies in 1923 was £160,221. The local expenditure was £7,436.

Under instruction from the Secretary of State for the Colonies, the surplus of Dependencies' revenue, after providing for local services and paying for the cost of central administration in the Falklands, is earmarked for research and development purposes. The surplus of assets over liabilities on the 31st of December, 1923, was £315,795, of which £300,302 stood to the credit of the Research Fund.

The legal tender currency is British sterling and Falkland Islands notes.

There are no banking facilities. The bulk of the payments, including the export duty on whale oil, is paid by drafts on which a remittance rate of 1 per cent. is charged.

III.—TRADE, INDUSTRIES AND SHIPPING.

Trade.

The value of the total trade of the Dependencies in 1923 was £3,203,011, of which £2,918,198 represents exports of whale products.

Industries.

The development of the Dependencies has been rapid, and it is not yet proved that whaling in these waters will, as has happened elsewhere in the world, exhaust the supply. Fortunately, the industry has been controlled by the Falkland Islands Government from its commencement; the keen interest taken in it by the Imperial Government and the British Museum has been of great value.

Apart from sealing on a small scale at South Georgia, whaling is the sole industry. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season to the period from the 1st of March to the 31st of October.

The progress of the whaling industry in the Dependencies since its inception on an extensive scale in 1909 is shown in the following Table :—

Year	*Whale Catchers.*	*Whales Captured.*	*Barrels of Oil.*	*Average of Barrels per Whale.*	*Value.* £
1909–1914 (average) ...	42	8,314	304,002	36·57	822,451
1915–20 (average) ...	48	6,533	333,398	51·03	1,906,244
1920–21	48	8,520	383,816	45·05	1,559,467
1921–22	50	6,955	448,885	64·54	2,244,390
1922–23	55	9,915	611,372	61·66	3,056,860

The increased value of the catches, as reflected in the increase in the average number of barrels of oil produced from each whale, may be largely attributed to the effect of stringent regulations made in 1921 which compel the economical utilization of the carcasses and restrict the waste which formerly prevailed. Improved methods of dealing with the material have also had much to do with the better results now obtained.

The whaling industry is subject to special taxation in the form of an export duty on oil and guano. The masters of vessels exporting these products are required to declare the quantities carried and to pay duty before their vessels can be cleared. Certificates showing the quantities landed must be obtained from the senior Officer of Customs at the port or ports of discharge. The amount of duty paid is subsequently adjusted on the evidence of the certificates.

The rate of duty on whale and seal oil was originally fixed at 3½*d.* a barrel. This was raised to 1*s.* 6*d.* in 1919 on the understanding that the yield in excess of 3½*d.* a barrel should be carried to a separate fund for the benefit of the Dependencies and principally to defray the cost of the researches recommended in a report* made in 1919 by an Inter-Departmental Committee on Research and Development in the Dependencies. In 1920 the duty was raised to 5*s.* a barrel. This rate has, however, never been actually effective; since, owing to the collapse of the market for oil, half the duties paid in 1920–21 were refunded, and in subsequent years a system of refunds on a sliding scale has brought the net duties to 3*s.* 6*d.* a barrel. The value of the oil in the European market was fairly steady between 1921 and 1923 at £30 a ton. The export duty on guano is 1½*d.* per 100 lb., or part thereof. The gross export duty received in 1923 from the Dependencies was £149,517, of which £105,840 was retained. Credit to the research fund brought the total to £300,302 by the end of the year. £16,000 was expended during the course of 1923 on the purchase and part reconditioning of the "Discovery," the vessel used by Captain Scott in his antarctic explorations of 1901-04.

The cost of a licence for whale fishing is £100 a year. The payment of a further £100 allows the licensee to use two whale-catchers. £100 is charged for any additional catcher. It is worthy of mention that a single large whale may produce oil to the value of over £1,000. In view of the restrictions necessary on the fishing industry no new licences are now issued. Twelve Norwegian and two British companies hold the field.

Whaling was resumed in the South Orkneys in 1922–23 by the one company which is licensed to fish there. The catch was 325 whales, which yielded 13,629 barrels of oil, or the low average of 42·19 barrels per whale.

Shipping.

The following table shows the number of steamships which entered at South Georgia during 1923 :—

British.		*Foreign.*	
Number of Steamships.	*Tonnage.*	*Number of Steamships.*	*Tonnage.*
13	22,722	20	28,456

Grytviken, in South Georgia, and Port Foster, in South Shetland Islands, are the only ports of entry in the Dependency.

* Cmd. 657 of 1920.

IV.—CLIMATE.

Five meteorological stations are maintained at South Georgia by the whaling companies with shore factories; and one is maintained in the South Orkneys by the Argentine Government. The returns from the latter are not sent to the Colony.

The mean temperature at South Georgia during 1923 was 35° : the range was from 6° on the 29th of August to 70° on the 16th of February.

During 1923 rain fell on 100 days, and snow or sleet on 187 days. The total fall was 50·26 inches.

There is little sickness in the Dependencies. Such sickness as exists may be ascribed to the lack of fresh provisions, but the climate is undoubtedly very healthy.

V.—COMMUNICATION.

There is no direct communication between South Georgia and the Falkland Islands. Vessels for this Dependency call at South American ports on their way out and there is more or less regular communication between South Georgia and Buenos Aires.

The South Shetlands whaling fleet calls at Stanley on the way south in November and again on the return in March–April.

There is no wireless telegraph station in the Dependencies, but communication is sometimes possible between steamers engaged in the whaling industry and the Colonial Government Station at Stanley.

VI.—POPULATION.

South Georgia has a fluctuating population of over 1,000.

The estimated population on the 31st of December, 1923, was 1,337, composed of 1,334 males and three females. About 1,000 of the whaling population are natives of Sweden and Norway.

H. HENNIKER-HEATON,
Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands.
5th December, 1924.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1215	British Honduras	1923
1216	New Hebrides	,,
1217	Gibraltar	,,
1218	Jamaica	,,
1219	Sierra Leone	,,
1220	Uganda	,,
1221	Grenada	,,
1222	British Guiana	,,
1223	St. Vincent	,,
1224	St. Helena	,,
1225	Barbados	,,
1226	Somaliland	1923–1924
1227	Kenya Colony and Protectorate	1923
1228	Hongkong	,,
1229	Northern Territories of the Gold Coast	,,
1230	Colonial Survey Committee Report	1923–1924
1231	Cayman Islands	1914–1923
1232	Leeward Islands	1923
1233	Federated Malay States	1923–1924
1234	Mauritius	1923
1235	Straits Settlements	,,
1236	Seychelles	,,
1237	Tongan Islands Protectorate	,,
1238	Brunei	1923–1924
1239	Unfederated Malay States	1923
1240	St. Lucia	,,
1241	Bahamas	,,
		1924

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oil-seeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

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COLONIAL REPORTS—ANNUAL.

No. 1278.

FALKLAND ISLANDS.

REPORT FOR 1924.

(For Reports for 1922 and 1923 see Nos. 1187 and 1242 respectively, price 9d. each.)

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No. 1278.

ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1924.

FALKLAND ISLANDS.

Introduction.

Geographical.

The Falkland Islands comprise a group of islands in the South Atlantic Ocean, lying some 300 miles east and somewhat to the north of the Straits of Magellan. The geographical position is between 51° and 53° S. latitude and between 57° and 62° W. longitude. There are two main islands, known as the East and West Falkland, which are divided by a sound running approximately north-east. There are numerous smaller islands clustered round each of these. The area of the group, as computed by measurement from the Admiralty Chart, is as follows:—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of group	4,618

Descriptive.

The Falkland Islands are in general appearance treeless, bleak and inhospitable. The scenery generally is said to resemble parts of Scotland and the northern islands, where somewhat similar climatic conditions prevail. There are no rivers navigable at any distance from the coast, but there are numerous excellent harbours. There are no high mountains, the highest point in the group being Mount Adam, 2,315 ft., in the West Falkland. The country may best be described as in the narrative of the "Challenger" Expedition as a "treeless expanse of moorland and bog and bare and barren rock."

The only town is Stanley, the capital, situated on an excellent natural harbour entered from Port William, at the north-east corner of the group. There are some 890 residents only. Beyond the limits of the town there are no roads, and all inland travel is done on horseback, with pack horses for transport. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which the country is divided.

HISTORICAL.

A group of six or seven islands situated to the east of the Patagonian coast appears in maps of South America from 1507 onwards. No written record remains of their discovery, but it is probable that they may have been what are now known as the Jason Islands, lying to the extreme north-west of the Falklands. They were subsequently seen on the 24th of January, 1600, by the Dutch navigator, Sebald de Weert, and were named after him. Meanwhile, part of the Falkland Islands group was sighted by John Davis, master of the "Desire," on the 14th of August, 1592, and his is the first known written mention of them. From his discovery they were called Davis' Southern Islands. In February, 1594, the first inspection of the Falklands was made by Sir Richard Hawkins in the "Dainty," a vessel of 400 tons. He coasted round a considerable part of the group and described the country at length. He made some inaccurate deductions from what he saw and in the narrative of his voyage he gives the latitude, by manifest error, possibly in transcription, three degrees out, but there can be no reasonable doubt that he actually surveyed the Falkland Islands and was the first to describe them. It was not until 1690 that any landing was made. On the 27th of January (Old Style) in that year, Captain Strong visited the islands, in a vessel called the "Welfare," sailing up the sound between the East and West Falkland and naming it "Fawkland Sound." He landed at several points, obtaining geese, ducks and fresh water. The naming of the group as the Falkland Islands derives its origin from Captain Strong's visit.

During the first half of the 18th century adventurers, in vessels fitted out at St. Malo, visited the islands which then obtained the name from the French of Iles Malouines, transformed later by the Spaniards to Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a spot named Port Louis in Berkeley Sound, a few miles north of Port William. A British garrison was posted at an island in the West Falkland in 1766, England reasserting her claim to the sovereignty of the group, which had been formally proclaimed in the previous year at the same place, on the ground of priority of discovery. In 1767 France ceded her rights in the country to Spain for the sum of £25,000. Three years later a squadron of five frigates drove out the British garrison, but the action was disowned by the Spanish Government, and the garrison was restored by Spain in 1770. In 1774 the post was temporarily abandoned. It is believed that the Spanish garrison was withdrawn in 1800. According to Admiral Fitzroy "From 1810 to 1820 there was no person upon these islands who claimed even a shadow of authority over them." In November of the latter year the flag of "The United Provinces of South America" was hoisted with a claim to sovereignty. There does

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not appear to have been any occupation until 1823, when one Louis Vernet, a German, obtained a concession from the Buenos Aires Government for the use of the fishery, cattle and tracts of land in the East Falkland. The action of this Government was scarcely known in Europe until 1829, when a formal protest was made by Great Britain. In the same year Vernet was appointed Governor of the islands by the Government of the United Provinces of South America. In 1831 his settlement was, however, broken up by a United States corvette, and many persons, including his agent, were deported in retaliation for an exercise by him of his fishery rights against American sealers. Some years later, and after further British occupation, Vernet accepted compensation in full for all his property left in the islands. In January, 1833, Great Britain, following up the warnings given four years previously, reassumed occupation, and settled and developed the islands. The settlement was in charge of naval officers down to 1842, when Richard Clement Moody, a subaltern in the Royal Engineers, was appointed Lieutenant-Governor. He was raised to the rank of Governor shortly afterwards.

The Colony received grants-in-aid from the Imperial Government down to 1880, since which time it has been self-supporting.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official members and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Legislative Council are appointed by Warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—General Observations.

The Falkland Islands are inhabited almost exclusively by people of pure British origin. The descendants of the early pioneers now own the greater part of the land.

The Colony is entirely divided into sheep farms. Nearly one-third of the total area is owned by the Falkland Islands Company, who own more than one-third of the sheep. The balance of the land is shared between nineteen farms running over 10,000 sheep, and nine with less than that number. Of the larger farms there are only ten managed by resident owners or members of their families.

The sheep-farming industry was made the subject of exhaustive enquiry during the year 1924, and the conclusions arrived at from the investigation which was carried out will prove of the utmost value as the foundation on which the prosperity of the industry can be established on a sound and enduring basis.

During the year under review preliminary operations were commenced on the works for the improvement of the sanitary and road condition of Stanley, initiated in 1922. These works have been decided on after protracted examination of the requirements of the town, and comprise a water supply, a drainage system and the reconstruction of the principal roads of the town. It is estimated that the works will involve a cost of £30,000, and that they will take three years to complete.

A few motor vehicles have recently been introduced into the Colony for use both in Stanley and around certain of the farm settlements. The experiment has proved successful, and there is indication that this method of transport may become more generally adopted. At present it is only possible to travel by motor over very short distances, but it is reasonable to believe that, with the improvements which are taking place in motor vehicles, a wider field may be opened up for their use in the Colony.

During the year the Government supplied the materials for a bridge across the Chartres River in West Falkland, the farmers undertaking the work of construction. The construction of a suspension bridge, with a span of 400 ft., at Bodie Creek in Lafonia was also commenced by the Falkland Islands Company.

The Colony and its Dependencies was represented at the British Empire Exhibition at Wembley in 1924.

II.—Financial.

(*a*) Revenue.

The revenue of the Colony for the year 1924 from all sources was £59,092, the revenue from normal sources, excluding the Dependencies' share in the cost of the Central Administration, being £33,284.

The increase in customs revenue in 1924 over that collected in 1923 was mainly due to the alteration in the basis of the taxation of the sheep-farming industry, which came into force on the 1st of January, 1924. Under the Tariff (Export Duties) Amendment Ordinance, 1923, an export duty on wool was imposed and the tax on land repealed. The revenue derived from the new tax was £8,215, or approximately the revenue yielded by the Land Tax in 1923.

The amount derived from taxation in 1924 was £14,910. Of this sum 55 per cent. was contributed by the sheep farming interests, 40 per cent. by the community generally, and 5 per cent. by the residents of Stanley.

(*b*) Expenditure.

The expenditure for 1924, excluding the sum of £1,272 disbursed from the Land Sales Fund in connection with the

investigation of the sheep-farming industry, amounted to £42,766. This sum included £1,816, representing approved charges against accumulated balances, and a large payment of £1,810 made in respect of the service of the year 1923. Apart from the cost of the maintenance of a patrol boat for seal fishery protection, the heaviest recurrent expenditure was involved by Works recurrent, £3,516, followed by the upkeep of the Medical Department, £3,051, and the Post Office, which includes a Wireless Station and is revenue-producing, £2,780.

(*c*) Assets and Liabilities.

The balance of assets over liabilities on the 31st of December, 1924, amounted to £235,488. The following statement shows the balances at the beginning and at the end of the year :—

	1*st January.*	31*st December.*
	£	£
Land Sales Fund	182,452	188,276
Marine Insurance Fund ...	212	818
General Account	37,770	46,394
	£220,434	£235,488

(*d*) Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5*s*., 10*s*., £1 and £5 notes issued by the Colonial Government under an Order in Council dated the 7th March, 1899. It was estimated that on the 31st of December, 1924, there was £5,000 of specie in circulation. During the year the issue circulation of Government notes stood at £18,000.

The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1924, the total sum deposited was £120,080, and the number of deposit accounts 834.

(*e*) General.

The year 1924 was a satisfactory one financially. Notwithstanding the exceptional call on the expenditure in connection with the inception of the Stanley Improvement Works, the funds standing to the credit of the Colony's General Account were substantially augmented. It is a matter for gratification that at the commencement of projects which have only been decided upon after much consideration as to ways and means, the revenue has been found more than equal to supporting the cost of the works in their preliminary stages.

III.—Trade, Industries and Shipping.

TRADE.

	1922.	1923.	1924.
	£	£	£
Imports	112,298	141,080	154,893
Exports	103,622	167,440	267,312
Total Trade ...	215,920	308,520	422,205

Imports.

The following is a comparative table of the imports for the years 1922, 1923 and 1924 :—

	1922.	1923.	1924.
	£	£	£
Food, Drink and Tobacco	36,247	38,813	53,692
Raw Materials and articles mainly unmanufactured ...	8,972	12,883	21,685
Articles wholly or mainly manufactured	59,230	81,949	74,791
Live Stock	7,824	7,435	4,725
Bullion and Specie ...	25	—	—
Total	£112,298	£141,080	£154,893

The principal articles imported into the Colony during 1924 were :—

	Value.
	£
Groceries	33,521
Hardware and Machinery...	17,461
Drapery	13,324
Timber	11,119
Coal and Coke	10,498

The country of origin of the imports is shown below :—

	£
United Kingdom	128,554
Australia	900
Total from British Empire	£129,454

	£
Chile	14,839
Uruguay	6,767
Argentina	1,366
Norway	1,840
Other Countries	627
Total from Foreign Countries ...	£25,439

There are no import duties except on spirits 15*s*. per gallon, wine 2*s*. and beer 6*d*. per gallon in bulk, tobacco 3*s*. a lb., and cigars 5*s*. a lb.

The following is a table of the dutiable imports and the revenue derived :—

	Quantity.	*Revenue.* £
Spirits	4,204 gals.	3,154
Wine	1,164 ,,	131
Beer	12,520 ,,	313
Tobacco	16,364 lb.	2,464
		£6,062

Exports.

Of the total exports for the year, £253,567 represented the value of the wool exported.

The following table compares the exports of wool in the years 1922, 1923 and 1924. The values given are based on the bottom prices in the year previous to that of export, and show the rapid recovery of the market :—

	Quantities exported in lb.	*Value.* £
1922	4,783,200	94,368
1923	4,596,600	142,755
1924	4,106,990	253,567

There is an export duty on wool of 1*s*. on each 25 lb. of wool exported.

Industries.

The investigation of the sheep-farming industry, referred to in an earlier part of this Report, was carried out by Mr. Hugh Munro, Principal District Inspector of the Department of Agriculture of New Zealand, who, through the kind offices of the Dominion Government, was seconded for this service in 1924.

The report furnished by Mr. Munro on the result of his investigation contains practical suggestions for the development of the industry along economic lines which cannot fail to lead to the removal of many of the difficulties with which the sheep farmers have at present to contend. The remedial measures recommended hinge on the establishment of a Government Experimental Farm as the means by which the experimental work which is necessary in the interests of the industry can best be carried out.

During the year arrangements were made with the Rowett Research Institute, Aberdeen, to undertake research work in connection with the unsatisfactory lambing percentages, and grass and soil samples were forwarded to the Institute for analysis. These investigations will no doubt throw considerable light on the question of nutrition from the point of view of soil contents.

The year under review was a prosperous one financially for the sheep farmers. The wool market remained firm at prices ranging, according to grade, from an average of 1*s*. 10*d*. to 2*s*. 3*d*. a lb. The general health of the flocks was good, no disease occurring. A consignment of stud rams imported was found to be infected with scab. The disease was, however, detected while the animals were in quarantine and its spread checked.

Shipping.

The total number of vessels which entered the Colony in 1924 was 61, with a total tonnage of 115,273, as compared with 56 and a tonnage of 91,851 in 1923. Of these, 22 with a tonnage of 86,545 were British.

The following table shows the number, nationality and description of the vessels entered :—

Nationality.	*Steamships.*	*Tonnage.*	*Sailing ships.*	*Tonnage.*
British ...	22	86,545	—	—
Norwegian ...	36	27,818	—	—
Argentine ...	—	—	1	824
Chilean ...	—	—	2	86
Total ...	58	114,363	3	910

H.M.S. " Dauntless " visited Stanley from the 17th to the 20th of August.

IV.—Education.

The education of children between the ages of five and fourteen years, residing in Stanley, is compulsory. In Stanley there are two elementary schools, one conducted by the Government and one under Roman Catholic management. The children in the country districts are taught by travelling teachers, two of

whom are provided by the Government and two by the Falkland Islands Company, Limited. The Company also retains a resident teacher at its station at Darwin.

The number of children taught during the year is as shown below :—

	Boys.	*Girls.*	*Total.*
At the Government School ...	104	76	180
At the Roman Catholic School...	17	43	60
By the Government Travelling Teachers	27	21	48
By the Falkland Islands Company's Teachers	27	25	52
Totals	175	165	340

The arrangements, referred to in last year's report, for boarding children from the country districts attending school in Stanley came into force on the 1st of January, 1924, when a Government Hostel was opened with accommodation for 16 children. The charge for each child during residence is £1 a month. Assistance is also given to parents who prefer boarding their children in private houses, the Government contributing in such cases two-thirds of the cost, not exceeding £2 a month for each child. It was hoped that the attractions of the new scheme would bring a large number of the children whose homes are in the country districts, into Stanley, and that it would be unnecessary to continue the unsatisfactory system of employing travelling teachers, beyond one for East Falkland and one for West Falkland. This has in practice not been realized and additional pupil teachers are being trained with a view to their ultimate engagement in " camp " teaching.

V.—Climate.

The climate of the Falklands, though trying on account of the continuous high winds in the summer months, is very healthy. It is generally described as rigorous, but this is misleading. There are seldom heavy frosts, and snow, which never lies long, is rarely more than ankle deep. Severe storms are of less frequent occurrence and intensity than in the United Kingdom. The islands lie in the south temperate storm belt, but north of the line along which the cyclonic centres most frequently pass. The winds almost invariably commence in the early hours of the day from the north-west and veer to the south-west in increasing force towards mid-day. Rainfall is well distributed over the year. The average fall is 26·43 inches per annum, or slightly more than at Kew. Although the temperature seldom rises above 63°, it falls below freezing point on about 50 days only throughout the year.

Complete statistics for the first half of the year 1924 are not available. During the months of July to December the mean barometric pressure was 29·69 inches. The mean temperature was 40·9°, the maximum, 67°, being recorded on the 1st of December, and the absolute minimum, 19°, on the 1st of August. The total rainfall recorded for the same period was 10·07 inches, the heaviest fall being ·95 inches on the 21st of December. Rain fell on 85 days during the latter half of the year. The mean wind force was 4·1 Beaufort scale.

The weather throughout the year was relatively mild. Frequent sudden and severe squalls were experienced in the late autumn. The winter, apart from bad weather in July and August, was mild, and was followed by an early and dry spring.

VI.—Communication.

The total number of vessels which called at Stanley with mails in 1924 was 22. Twelve mails were received from the United Kingdom by vessels arriving via Monte Video, and a like number of mails were despatched from the Colony by this route. Ten mails were also sent either via Panama or the Andes. During the year there was one opportunity only for passenger communication with the United Kingdom by the direct route.

Inter-insular mail communication in 1924 was fairly well maintained, the Government patrol boat rendering good service in this connection. During the year the Colonial Government completed negotiations with the Tönsberg Whaling Company for the provision of regular direct mail and trade communication between the Colony and the Dependencies for a period of two years. The first voyage under the contract was made in December.

Two wireless stations are maintained by the Government, one at Stanley for external traffic and a small station on West Falkland Island for inter-insular communication. The bulk of the outward traffic is transmitted through Monte Video, but the Chilean station at Punta Arenas also receives wireless messages from Stanley for transmission to Europe. Telegraphic charges are 4*s*. 2*d*. a word to the United Kingdom and 1*s*. 2*d*. a word to Monte Video and Punta Arenas.

VII.—Vital Statistics.

The estimated population of the Colony on the 31st of December, 1924, was 2,197, composed of 1,219 males and 978 females. The birth-rate was 24·12 per 1,000 and the death-rate 11·18 per 1,000.

VIII.—Social.

The cost of living is low in country districts as in any similar pastoral community, but freight rates make imported provisions costly. Prices of provisions in 1924 were, with few exceptions, the same as in 1923. Mutton cost 3*d*. a lb., beef 5*d*. a lb., butter 2*s*. 8*d*. a lb., milk 1*s*. a quart, bread 1*s*. 2*d*. a quartern loaf, tea 3*s*. a lb.

Wages on the farm stations were from £7 to £8 a month with quarters, fuel, meat and milk found. Town labourers were paid £11 per month or a shilling an hour, and tradesmen from £15 to £16 or 1*s*. 4½*d*. an hour.

There was with insignificant exception no evidence of unemployment during 1924, the population as in past years adjusting itself to the demand for labour.

DEPENDENCIES.

Introduction.

GEOGRAPHICAL.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands, and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

DESCRIPTIVE.

The island of South Georgia is a mass of high mountains covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost

entirely destitute of plant life. The chief harbour is Port Foster, at Deception Island, in the South Shetlands. These dependencies are, however, ice free for some four or five months in the year only.

Historical.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth, seventeenth and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith, in the snow " Williams " of Blyth, took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819–20, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British Whalers were met there in 1819. The fur-seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820–21 and 1921–22. They are said to have practically exterminated the fur-seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

I.—General Observations.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilised mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A resident official staff is stationed at South Georgia, which is the only part of the Dependencies which is permanently habitable. Such control as is possible over whaling operations in the other Dependencies is carried out by Government officials who accompany the expeditions.

At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of twenty-one years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale catchers without the payment of additional licence fees. The harbours in the other Dependencies are ice bound for about seven months in the year, and the work of boiling down is done on board floating factories. There are also land stations at Deception Island and at the South Orkneys, the personnel of which arrive and return with the whaling fleets.

Preliminary work in connection with the research recommended in the Report of the Interdepartmental Committee on Research and Development in the Dependencies was carried on during the year 1924. The reconditioning of the Research Ship "Discovery," begun in 1923, was proceeded with, and the construction of the Marine Biological Station at Grytviken, South Georgia, was commenced in October. The work of erecting this building proceeded concurrently with the erection of a wireless station and other buildings for the Colonial Government.

Two casualties, more serious than any that have taken place since whaling operations were commenced in the Dependencies, occurred during the year at the South Shetlands. On the 11th of March the steam whaler "Bransfield" capsized during a hurricane and sank at her moorings in South Bay, Livingstone Island, and four members of her crew perished. On the 6th of November the steam whaler "Graham" left Admiralty Bay for Joinville Island. On the same day a severe storm set in, accompanied by a blizzard from the south-east. The "Graham" was never seen again, and searching vessels subsequently picked up a boat and wreckage belonging to the ill-fated whaler. It is assumed that the "Graham" foundered off the coast of Joinville Island at a time when the blizzard had reached its height. The vessel carried a crew of 10 all told.

II.—Financial.

The revenue derived from the Dependencies in 1924 was £131,676. The local expenditure was £27,711, leaving a surplus of revenue over expenditure of £103,965.

Under instructions from the Secretary of State for the Colonies, the surplus of Dependencies' revenue, after providing for local services and meeting a share of the cost of central administration in the Falklands, is reserved for research and development purposes. In addition to the sum of £103,965 mentioned above, the Research Fund benefited during the year by a revenue of £10,416, derived from interest on securities held on behalf of the Fund. Expenditure from the Fund in 1924 amounted to £115,089, or £708 in excess of the sums with which it was credited. On the 31st of December, 1924, the total sums standing to the credit of the Research Fund amounted to £315,087.

The legal tender currency is British sterling and Falkland Islands notes.

There are no banking facilities. The bulk of the payments, including the export duty on whale oil, is paid by drafts on which a remittance rate of 1 per cent. is charged.

III.—Trade, Industries and Shipping.

Trade.

The value of the total trade of the Dependencies in 1924 was £2,638,984, of which £320,448 represented imports and £2,318,536 exports. Of the imports, coal, coke and oil fuel accounted for £178,185 and provisions for £37,048. The exports of whale products amounted to £2,317,529.

Industries.

Apart from sealing on a small scale at South Georgia, whaling is the sole industry. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season to the period from the 1st of March to the 31st of October.

Export duty at the rate of 5*s*. a barrel is payable on oil and at the rate of 1½*d*. per 100 lb. on guano. Owing to the comparatively low prices obtained for whale and seal oil during the past four years, a portion of the duty collected has, under temporary legislation, been refunded to the whaling companies. In 1924 the system of refunds was legalized on a permanent basis, on a scale based on the average price obtained for the oil during the season.

During the season 1923–24 whaling operations were carried on at South Georgia, South Shetlands and South Orkneys. The season was poor both in the quality and quantity of the whales, but satisfactory from the point of view of the economy effected in the utilization of the whale carcasses. The price obtained for the catch averaged £35 a ton.

The following table shows the size and the value of the catches during the past three seasons :—

Season.	*Whales Captured.*	*Barrels of Oil Produced.*	*Average of Barrels per Whale.*	*Value.* £
1921–22 ...	6,955	448,885	64·54	2,244,390
1922–23 ...	9,915	611,372	61·66	3,056,860
1923–24 ...	6,737	427,321	63·43	2,492,700

In addition to the 427,321 barrels of whale oil produced during the season 1923–24, sealing operations yielded 7,486 barrels of oil as compared with 6,375 barrels produced in the previous season.

Shipping.

The following table shows the number of vessels which entered at South Georgia during 1924 :—

Nationality.	*Steam-ships.*	*Tonnage.*	*Sailing Ships.*	*Tonnage.*
British ...	15	34,255	—	—
Norwegian ...	23	27,638	—	—
Belgium ...	1	1,549	—	—
Argentine ...	3	5,890	3	2,381
	42	69,332	3	2,381

Grytviken, in South Georgia, and Port Foster, in South Shetlands, are the only ports of entry in the Dependencies.

IV.—Climate.

Five meteorological stations are maintained at South Georgia by the whaling companies with shore factories, and one is maintained in the South Orkneys by the Argentine Government. The returns from the latter are not sent to the Colony.

The average temperature at South Georgia is 36°; in January and February it is 46·2°, and in the three coldest months, June, July and August, it is 27·9°.

During the year 1924 rain fell on 100 days. A total rainfall of 45·4 inches was recorded, the greatest rainfall being in February with 8·3 inches. Snow and sleet fell on 154 days.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness is caused by the absence of fresh provisions, but the climate is undoubtedly healthy.

V.—Communication.

Vessels for South Georgia call at South American ports on their way out, and there is more or less regular communication between South Georgia and Buenos Aires. The South Shetlands whaling fleet calls at Stanley on the way south in November and again on the return voyage in April.

Direct steamship communication was established between Stanley and South Georgia in December, 1924. The contract with the Tönsberg Whaling Company, referred to in the Falkland Islands section of this report, provides for five round voyages

between Stanley and Grytviken during the whaling season. Provision has also been made for one round voyage between Stanley and Port Foster in the South Shetlands.

The erection of a wireless station at Grytviken, South Georgia, was commenced in October.

VI.—Population.

South Georgia has a fluctuating population of over 1,000.

The estimated population on the 31st of December, 1924, was 1,337, composed of 1,334 males and three females. About 1,000 of the whaling population are natives of Sweden and Norway.

G. R. L. Brown,
for *Colonial Secretary*.

Colonial Secretary's Office,
Stanley, Falkland Islands.
14*th October*, 1925.

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ANNUAL REPORT ON THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1925.

FALKLAND ISLANDS.

Introduction.

Geographical.

The Falkland Islands comprise a group of islands in the South Atlantic Ocean, lying some 300 miles east, and somewhat to the north, of the Straits of Magellan. The geographical position is between 51° and 53° S. latitude and between 57° and 62° W. longitude. There are two main islands, known as the East and West Falkland, which are divided by a sound running approximately north-east. There are numerous smaller islands clustered round each of these. The area of the group, as computed by measurement from the Admiralty Chart, is as follows:—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of group	4,618

Descriptive.

The Falkland Islands are in general appearance treeless, bleak and inhospitable. The scenery generally is said to resemble parts of Scotland and the northern islands, where somewhat similar climatic conditions prevail. There are no rivers navigable at any distance from the coast, but there are numerous excellent harbours. There are no high mountains, the highest point in the group being Mount Adam, 2,315 ft., in the West Falkland. The country may best be described as in the narrative of the "Challenger" Expedition as a "treeless expanse of moorland and bog and bare and barren rock."

The only town is Stanley, the capital, situated on an excellent natural harbour entered from Port William, at the north-east corner of the group. There are some 890 residents only. Beyond the limits of the town there are no roads, and all inland travel is done on horseback, with pack horses for transport. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which the country is divided.

HISTORICAL.

A group of six or seven islands situated to the east of the Patagonian coast appears in maps of South America from 1507 onwards. No written record remains of their discovery, but it is probable that they may have been what are now known as the Jason Islands, lying to the extreme north-west of the Falklands. They were subsequently seen on the 24th of January, 1600, by the Dutch navigator, Sebald de Weert, and were named after him. Meanwhile, part of the Falkland Islands group was sighted by John Davis, master of the "Desire," on the 14th of August, 1592, and his is the first known written mention of them. From his discovery they were called Davis' Southern Islands. In February, 1594, the first inspection of the Falklands was made by Sir Richard Hawkins in the "Dainty," a vessel of 400 tons. He coasted round a considerable part of the group and described the country at length. He made some inaccurate deductions from what he saw, and in the narrative of his voyage he gives the latitude, by manifest error, possibly in transcription, three degrees out, but there can be no reasonable doubt that he actually surveyed the Falkland Islands and was the first to describe them. It was not until 1690 that any landing was made. On the 27th of January (Old Style) in that year, Captain Strong visited the islands, in a vessel called the "Welfare," sailing up the sound between the East and West Falklands and naming it "Fawkland Sound." He landed at several points, obtaining geese, ducks and fresh water. The naming of the group as the Falkland Islands derives its origin from Captain Strong's visit.

During the first half of the 18th century, adventurers, in vessels fitted out at St. Malo, visited the islands which then obtained the name from the French of Iles Malouines, transformed later by the Spaniards to Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a spot named Port Louis in Berkeley Sound, a few miles north of Port William. A British garrison was posted at an island in the West Falkland in 1766, England reasserting her claim to the sovereignty of the group, which had been formally proclaimed in the previous year at the same place, on the ground of priority of discovery. In 1767 France ceded her rights in the country to Spain for the sum of £25,000. Three years later a Spanish squadron of five frigates drove out the British garrison, but the action was disowned by the Spanish Government, and the British garrison was restored by Spain in 1771. In 1774 the post was temporarily abandoned. It is believed that the Spanish garrison was withdrawn in 1800. According to Admiral Fitzroy "From 1810 to 1820 there was no person upon these islands who claimed even a shadow of authority over them." In November of the latter year the flag of "The United Provinces of South America" was hoisted with a claim to sovereignty. There does

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not appear to have been any occupation until 1823, when one Louis Vernet, a German, obtained a concession from the Buenos Aires Government for the use of the fishery, cattle and tracts of land in the East Falkland. The action of this Government was scarcely known in Europe until 1829, when a formal protest was made by Great Britain. In the same year Vernet was appointed Governor of the islands by the Government of the United Provinces of South America. In 1831 his settlement was, however, broken up by a United States corvette, and many persons, including his agent, were deported in retaliation for an exercise by him of his fishery rights against American sealers. Some years later, and after further British occupation, Vernet accepted compensation in full for all his property left in the islands. In January, 1833, Great Britain, following up the warnings given four years previously, reassumed occupation, and settled and developed the islands. The settlement was in charge of naval officers down to 1842, when Richard Clement Moody, a subaltern in the Royal Engineers, was appointed Lieutenant-Governor. He was raised to the rank of Governor shortly afterwards.

The Colony received grants-in-aid from the Imperial Government up to 1880, since which time it has been self-supporting.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official members and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Legislative Council are appointed by Warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—General Observations.

The Falkland Islands are inhabited almost exclusively by people of pure British origin. The descendants of the early pioneers now own the greater part of the land.

The Colony is entirely divided into sheep farms. Nearly one-third of the total area is owned by the Falkland Islands Company, who own about one-third of the sheep. The balance of the land is divided into thirty-three farms of which sixteen run over ten thousand sheep and the remainder less than that number. Of the larger farms many are now owned by private companies under the direction of resident managers.

The sheep-farming industry was made the subject of exhaustive enquiry during the year 1924, and in accordance with the conclusions arrived at from the investigation a scheme has been evolved and inaugurated for the establishment of an experimental farm under the auspices of the Government.

During the year under review a start was made on the works for the improvement of the sanitary and road conditions of Stanley, initiated in 1922, and referred to in last year's Report. These works have been undertaken after protracted examination of the requirements of the town and comprise a water supply, a drainage system, and the reconstruction of the principal roads of the town. The revised estimate of the cost of the works is £35,000 and it is hoped that they will be completed early in 1928.

A few motor vehicles have recently been introduced into the Colony for use both in Stanley and around certain of the farm settlements. At present it is only possible to travel by motor over very short distances, but it is reasonable to believe that, with the improvements which are taking place in motor vehicles, a wider field may be opened up for their use in the Colony.

II.—Financial.

(*a*) Revenue.

The revenue of the Colony for the year 1925 from all sources was £57,511, the revenue from normal sources, excluding the Dependencies' share in the cost of the Central Administration, being £40,783. The ordinary revenue exceeded the ordinary expenditure for the year by £3,716.

The amount derived from taxation in 1925 was £15,000, as against £14,910 in 1924. Of this sum 55 per cent. was contributed by the sheep-farming interests, 40 per cent. by the community generally, and 5 per cent. by the residents of Stanley. No additional taxation was imposed during the year under review.

(*b*) Expenditure.

The ordinary expenditure for 1925, including the sum of £1,125 under Public Works Extraordinary, was £37,067. In addition, the sum of £19,770 was expended out of the surplus balances principally in connection with the Stanley Improvement Scheme to which reference has been made above, and also on the execution of repairs to the jetty in the Government dockyard and on the extension of the Wireless Station at Stanley. £2,499 was disbursed from the Land Sales Fund to meet the cost of the initial works on the establishment of an experimental farm. As in previous years the ordinary expenditure, excluding Miscellaneous Services, £4,572, was heaviest under the Port and Marine Department, £5,395, the Medical Department, £3,596, the Public Works Department, Ordinary and Recurrent, £3,228 and £3,285, respectively, and under the Post Office, £2,844, which includes the maintenance of the revenue-producing wireless telegraphy station.

(*c*) Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1925, amounted to £231,669. The following statement shows the balances at the beginning and at the end of the year :—

	1*st January*.	31*st December*.
	£	£
Land Sales Fund	188,276	192,067
Marine Insurance Fund ...	818	1,424
General Account	46,394	38,178
	£235,488	£231,669

(*d*) Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5*s*., 10*s*., £1 and £5 notes issued by the Colonial Government under an Order in Council dated the 7th March, 1899. It was estimated that on the 31st of December, 1925, there was £3,000 of specie in circulation. During the year the issue circulation of Government notes stood at £18,000.

The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1925, the total sum deposited was £122,517, and the number of deposit accounts 874, as against 834 on the 30th of September, 1924.

(*e*) General.

The year 1925 was a satisfactory one financially, and it is a matter of gratification to observe that, while the expenditure from the surplus balances as stated above was £19,770, the funds standing to the credit of the General Account of the Colony were reduced by £8,216 only.

III.—Trade, Industries and Shipping.

Trade.

	1923.	1924.	1925.
	£	£	£
Imports	141,080	154,893	161,106
Exports	167,440	267,312	330,454
Total Trade ...	£308,520	£422,205	£491,560

Imports.

The following is a comparative table of the imports for the years 1923, 1924 and 1925 :—

	1923.	1924.	1925.
	£	£	£
Food, Drink and Tobacco	38,813	53,692	49,114
Raw Materials and articles mainly unmanufactured ...	12,883	21,685	14,257
Articles wholly or mainly manufactured	81,949	74,791	82,459
Live Stock	7,435	4,725	15,251
Bullion and Specie ...	—	—	25
Total	£141,080	£154,893	£161,106

The principal articles imported into the Colony during 1925 were :—

	Value.
	£
Groceries	31,358
Hardware and Machinery...	25,138
Live Stock	15,251
Drapery	11,131
Timber	9,961
Coal and Coke	3,843

Approximately 81 per cent. of the imports of the Colony came from the United Kingdom, to a value of £131,811. Imports from other sources amounted to :—

	£
Chile	17,574
Uruguay	5,393
Argentina	4,824
Norway	511
Other Countries	993
Total from Foreign Countries ...	£29,295

There are no import duties except on spirits 15*s*. per gallon, wine 2*s*. and beer 6*d*. per gallon in bulk, tobacco 3*s*. a lb., and cigars 5*s*. a lb.

The following is a table of the dutiable imports and the revenue derived :—

	Quantity.	*Revenue.* £
Spirits	3,808 gals.	2,856
Wine	1,124 ,,	125
Beer	10,706 ,,	277
Tobacco	15,239 lb.	2,287
		£5,545

Exports.

Of the total exports for the year, £307,740 represented the value of the wool exported.

The following table compares the exports of wool in the years 1923, 1924 and 1925. The values given are based on the bottom prices in the year previous to that of export, and show the continued recovery of the market :—

	Quantities exported in lb.	*Value.* £
1923	4,596,600	142,755
1924	4,106,990	253,567
1925	3,361,003	307,740

There is an export duty on wool of 1*s*. on each 25 lb. of wool exported.

Industries.

The sole local industry of any importance is the sheep-farming industry. The year under review was again prosperous for farmers from the immediate financial aspect; the yield of wool was less than in previous years but the prices realised were high, ranging, according to grade, from 1*s*. 4*d*. to 2*s*. 5*d*. per lb. The general health of the flocks was satisfactory despite the somewhat severe conditions which prevailed during the lambing season.

Shipping.

The total number of vessels which entered the Colony in 1925 was 107, with a total tonnage of 147,911, as compared with 61, and a tonnage of 115,273, in 1924. Of these, 26 with a tonnage of 78,583 were British.

The following table shows the number, nationality and description of the vessels entered :—

Nationality.	*Steamships.*		*Sailing ships.*	
	No.	*Tonnage.*	*No.*	*Tonnage.*
British ...	26	78,583	—	—
Norwegian ...	62	58,545	—	—
Chilean ...	9	2,571	4	282
Argentine ...	3	5,728	3	2,202
Total ...	100	145,427	7	2,484

IV.—Education.

The education of children between the ages of five and fourteen years, residing in Stanley, is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. The children in the country districts are taught by travelling teachers, two of whom are provided by the Government and two by the Falkland Islands Company, Limited. The Company also retains a resident teacher at its station at Darwin.

The number of children taught during the year is as shown below :—

	Boys.	*Girls.*	*Total.*
At the Government School ...	106	71	177
At the Roman Catholic School...	22	47	69
By the Government Travelling Teachers	15	13	28
By the Falkland Islands Company's Teachers	47	27	74
Totals	190	158	348

The arrangements, referred to in last year's Report, for boarding children from the country districts attending school in Stanley at the Government Hostel, were continued during the year. The hostel has fully justified its provision; there were eight or nine children in residence most of the year. The charge for each child during residence is £1 a month. Assistance is also given to parents who prefer boarding their children in private houses, the Government contributing in such cases two-thirds of the cost, not exceeding £2 a month for each child. The number of outside boarders varied from 10 to 13—about double the number in 1924.

V.—Climate.

The climate of the Falklands, though trying on account of the continuous high winds in the summer months, is very healthy. It is generally described as rigorous, but this is misleading. There are seldom heavy frosts, and snow, which never lies long, is rarely more than ankle deep. Severe storms are of less frequent occurrence and intensity than in the United Kingdom. The islands lie in the south temperate storm belt, but north of the line along which the cyclonic centres most frequently pass. The winds almost invariably commence in the early hours of the day from the north-west and veer to the south-west in increasing force towards midday. Rainfall is well distributed over the year. The average fall is 26·43 inches per annum, or slightly more than at Kew. Although the temperature seldom rises above 63°, it falls below freezing point on about 50 days only throughout the year.

The mean barometric pressure during the year 1925 was 29·57 inches. The mean temperature was 41·6°, the absolute maximum, 70°, being recorded on the 3rd of March, and the absolute minimum, 17°, on the 25th of June. The total rainfall recorded was 21·14 inches, the heaviest fall being ·83 inches on the 29th of April. The mean wind force was 3·0 Beaufort scale.

The weather throughout the year was again comparatively mild.

VI.—Communications.

The total number of mails received at Stanley during 1925 was eleven, of which ten came by vessels arriving via Montevideo, and one via Punta Arenas, Chile. Sixteen mails were despatched; nine direct or via Montevideo, six via Valparaiso and the Andes, or Panama, and one via Punta Arenas. Only two passenger vessels called at Stanley during the year.

Inter-insular mail communication in 1925 was fairly well maintained, the Government patrol boat rendering good service in this connection. Communication with the Dependency of South Georgia was maintained by the Tönsberg Whaling Company under contract with the Government, and one voyage was also made from Stanley to the Dependency of the South Shetlands during the whaling season.

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Cumberland Bay, Grytviken, in the Dependency of South Georgia. A small station on the West Falkland is also maintained by the Government for inter-insular communication. The traffic is transmitted and received principally through Montevideo, and also through Punta Arenas. Telegraphic charges are 4*s*. 2*d*. a word to the United Kingdom and 1*s*. 2*d*. a word to Montevideo and Punta Arenas.

VII.—Vital Statistics.

The estimated population of the Colony on the 31st of December, 1925, was 2,252, composed of 1,273 males and 979 females. The birth-rate was 17·76 per 1,000 and the death-rate 10·06 per 1,000.

VIII.—Social.

The cost of living is moderate in country districts, as in any similar pastoral community, but freight rates make imported provisions costly. Prices of provisions in 1925 were, with few exceptions, the same as in 1924. Mutton cost 3*d*. a lb., beef 5*d*. a lb., butter 2*s*. 6*d*. a lb., milk 1*s*. a quart, bread 1*s*. 2*d*. a quartern loaf, tea 3*s*. a lb.

Wages on the farm stations were from £5 to £8 a month with quarters, fuel, meat and milk found. Town labourers were paid from £10 per month or a shilling an hour, and artisans from £10 to £20 or 1*s*. 4½*d*. an hour.

There was with insignificant exception no evidence of unemployment during 1925, the population as in past years adjusting itself to the demand for labour.

DEPENDENCIES.

Introduction.

Geographical.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands, and the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

Descriptive.

The island of South Georgia is a mass of high mountains covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling stations have been established in some of the numerous bays. There

is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster, at Deception Island, in the South Shetlands. These Dependencies are, however, ice free for some four or five months in the year only.

Historical.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith, in the snow " Williams " of Blyth, took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819–20, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British Whalers were met there in 1819. The fur-seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820–21 and 1821–22. They are said to have practically exterminated the fur-seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822–24 these animals were almost extinct.

I.—General Observations.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilised mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A resident official staff is stationed at South Georgia, which is the only part of the Dependencies which is permanently habitable. Such control as is possible over whaling operations in the other Dependencies is carried out by Government officials who accompany the expeditions.

At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of twenty-one years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale catchers without the payment of additional licence fees. The harbours in the other Dependencies are ice bound for about seven

months in the year, and the work of boiling down is done on board floating factories. There are also land stations at Deception Island and at the South Orkneys, the personnel of which arrive and return with the whaling fleets.

The Royal Research Ship "Discovery," to which reference is made in the Report for 1924, was completed and commenced work during the year in accordance with the recommendations* of the Interdepartmental Committee on Research and Development in the Dependencies. She proceeded first to South Africa and did not arrive at South Georgia until the beginning of 1925. A second ship the "William Scoresby" was constructed and launched during the year. She is built on the lines of an ordinary whale catcher and is intended to be employed primarily for the marking of whales. She has been named out of compliment to the father and son bearing that name, of whom the father did much to develop the practical side of whaling, and the son may be regarded as the pioneer of whaling research and the founder of Polar science. The buildings for the Marine Biological Station at Grytviken were also completed during the year.

II.—Financial.

The revenue derived from the Dependencies in 1925 was £180,098. The local expenditure was £77,928, leaving a surplus of revenue over expenditure of £102,170.

Under instructions from the Secretary of State for the Colonies, the surplus of the Dependencies' revenue, after providing for local services and meeting a share of the cost of central administration in the Falklands, is reserved for research and development purposes. On the 31st of December, 1925, the total sums standing to the credit of the Research Fund amounted to £303,988.

The legal tender currency is British sterling and Falkland Islands notes.

There are no banking facilities. The bulk of the payments, including the export duty on whale oil, is paid by drafts on which a remittance rate of 1 per cent. is charged.

III.—Trade, Industries and Shipping.

Trade.

The value of the total trade of the Dependencies in 1925 was £3,957,850, of which £372,740 represented imports and £3,585,110 exports. Of the imports, coal, coke and oil fuel accounted for £140,876 and provisions for £48,614. The exports of whale products amounted to £3,581,569.

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* *See* Cmd. 657.

Industries.

Apart from sealing on a small scale at South Georgia, whaling is the sole industry. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season from the 1st of March to the 31st of October.

Export duty at the rate of 5*s*. a barrel is payable on oil at the time of shipment. Owing to the collapse of the market for oil in 1920 one-half of the duties collected in respect of the season 1920–21 was refunded and from this time onwards a system of rebates, based on the average market price of oil, has been in operation. A refund of 2*s*. a barrel was made in respect of the season 1924–25, making the effective duty 3*s*. per barrel. Export duty at the rate of 1½*d*. per 100 lb. is payable on guano.

During the season 1924–25 whaling operations were conducted at South Georgia, South Shetlands and South Orkneys. Whaling was commenced earlier and continued later than had been customary, and in the case of the South Shetlands the prolongation of operations necessitated special arrangements being made for the supply of coal by transports. The total catch of 10,057 whales, yielding 661,998 barrels of oil, was the largest hitherto recorded. The price obtained for the oil averaged £33 a ton.

The following table shows the size and the value of the catches during the past four seasons:—

Season.	*Whales Captured.*	*Barrels of Oil Produced.*	*Average of Barrels per Whale.*	*Value.* £
1921–22 ...	6,955	448,885	64·54	2,244,390
1922–23 ...	9,915	611,372	61·66	3,056,860
1923–24 ...	6,737	427,321	63·43	2,492,700
1924–25 ...	10,057	661,998	66·10	3,640,989

Sealing operations yielded 6,891 barrels of oil, as compared with 7,486 barrels produced in the previous season.

Shipping.

The following table shows the number of vessels which entered at South Georgia during 1925:—

Nationality.	*Steam-ships.*	*Tonnage.*	*Sailing Ships.*	*Tonnage.*
British ...	12	26,170	—	—
Norwegian ...	22	27,876	—	—
Argentine ...	3	5,728	3	2,202

Grytviken, in South Georgia, and Port Foster, in South Shetlands, are the only ports of entry in the Dependencies.

IV.—Climate.

Five meteorological stations are maintained at South Georgia by the whaling companies with shore factories, and one is maintained in the South Orkneys by the Argentine Government.

The average temperature at South Georgia was 36°. In December, January and February it ranged between 40° and 41°, and in the three coldest months, June, July and August, between 29° and 31°.

During the year 1925 rain fell on 129 days and snow and sleet on 173 days. A total rainfall of 66·49 inches was recorded, the greatest rainfall being in April with 13·89 inches.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness is caused by the absence of fresh provisions, but the climate is undoubtedly healthy.

V.—Communications.

Vessels for South Georgia call at South American ports on their way out, and there is more or less regular communication between South Georgia and Buenos Aires. The South Shetlands whaling fleet calls at Stanley on the way south in October–November and again on the return voyage in April–May.

Direct communication was maintained during 1925 between Stanley and South Georgia by means of a vessel belonging to the Tönsberg Whaling Company, which is under contract with the Government to provide five round voyages between Stanley and Grytviken during the whaling season, and two additional voyages during the winter months. The terms of this contract also provide for one round voyage during the whaling season between Stanley and Port Foster in South Shetlands.

The erection of a wireless station at Grytviken, South Georgia, was completed during the year.

VI.—Population.

South Georgia has a fluctuating population of about 1,000.

The estimated population on the 31st of December, 1925, was 1,337, composed of 1,334 males and three females. About 1,000 of the whaling population are natives of Sweden and Norway.

J. M. Ellis,
Acting Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands.
11*th November*, 1926.

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FALKLAND ISLANDS.

REPORT FOR 1926.

(For Report for 1924 see No. 1278 (Price 9d.), and for Report for 1925 see No. 1322 (Price 6d.).)

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CONTENTS.

Falkland Islands.

PAGE.

INTRODUCTION—

Geographical ... 3
Descriptive ... 3
Historical ... 4
Constitution ... 5

I.—GENERAL OBSERVATIONS ... 5

II.—FINANCIAL—

Revenue ... 6
Expenditure ... 6
Assets and Liabilities ... 7
Currency and Banking ... 7
General ... 7

III.—TRADE, INDUSTRIES, and SHIPPING—

Trade ... 8
Industries ... 9
Shipping ... 10

IV.—EDUCATION ... 10

V.—CLIMATE ... 10

VI.—COMMUNICATIONS ... 11

VII.—VITAL STATISTICS ... 12

VIII.—SOCIAL ... 12

Dependencies.

INTRODUCTION—

Geographical ... 12
Descriptive ... 13
Historical ... 13

I.—GENERAL OBSERVATIONS ... 13

II.—FINANCIAL ... 14

III.—TRADE, INDUSTRIES, and SHIPPING—

Trade ... 14
Industries ... 15
Shipping ... 15

IV.—CLIMATE ... 16

V.—COMMUNICATIONS ... 16

VI.—POPULATION ... 16

ANNUAL GENERAL REPORT ON THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1926.

FALKLAND ISLANDS.

INTRODUCTION.

Geographical.

The Falkland Islands comprise a group of islands in the South Atlantic Ocean, lying some 300 miles east and somewhat to the north of the Straits of Magellan. The geographical position is between 51° and 53° S. latitude and between 57° and 62° W. longitude. There are two main islands, known as East Falkland and West Falkland, which are divided by a sound running approximately north-east. There are numerous smaller islands clustered round each of these. The area of the group, as computed by measurement from the Admiralty Chart, is as follows :—

	Sq. miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of group ...	4,618

Descriptive.

The Falkland Islands are in general appearance treeless, bleak, and inhospitable. The scenery generally is said to resemble parts of Scotland and the northern islands, where somewhat similar climatic conditions prevail. There are no rivers navigable at any distance from the coast, but there are numerous excellent harbours. There are no high mountains, the highest point in the group being Mount Adam, 2,315 ft., in the West Falkland. The country may best be described as in the narrative of the " Challenger " Expedition as a " treeless expanse of moorland and bog and bare and barren rock."

The only town is Stanley, the capital, situated on an excellent natural harbour entered from Port William, at the north-east corner of the group. There are some 950 residents only. Beyond the limits of the town there are no roads, and all inland travel is done on horseback, with pack-horses for transport. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which the country is divided.

Historical.

A group of six or seven islands situated to the east of the Patagonian coast appears in maps of South America from 1507 onwards. No written record remains of their discovery, but it is probable that they may have been what are now known as the Jason Islands, lying to the extreme north-west of the Falklands. They were subsequently seen on the 24th of January, 1600, by the Dutch navigator, Sebald de Weert, and were named after him. Meanwhile, part of the Falkland Islands group was sighted by John Davis, master of the "Desire," on the 14th of August, 1592, and his is the first known written mention of them. From his discovery they were called Davis' Southern Islands. In February, 1594, the first inspection of the Falklands was made by Sir Richard Hawkins in the "Dainty," a vessel of 400 tons. He coasted round a considerable part of the group and described the country at length. He made some inaccurate deductions from what he saw and in the narrative of his voyage he gives the latitude, by manifest error, possibly in transcription, three degrees out, but there can be no reasonable doubt that he actually surveyed the Falkland Islands and was the first to describe them. It was not until 1690 that any landing was made. On the 27th of January (Old Style) in that year, Captain Strong visited the islands, in a vessel called the "Welfare," sailing up the sound between East Falkland and West Falkland, and naming it "Fawkland Sound." He landed at several points, obtaining geese, ducks, and fresh water. The naming of the group as the Falkland Islands derives its origin from Captain Strong's visit.

During the first half of the 18th century, adventurers, in vessels fitted out at St. Malo, visited the islands, which then obtained the name from the French of Iles Malouines, transformed later by the Spaniards to Islas Malvinas. In 1764 a French settlement was planted by de Bougainville at a spot named Port Louis, in Berkeley Sound, a few miles north of Port William. A British garrison was posted at an island in the West Falkland in 1766, England reasserting her claim to the sovereignty of the group, which had been formally proclaimed in the previous year at the same place, on the ground of priority of discovery. In 1767 France ceded her rights in the country to Spain for the sum of £25,000. Three years later a squadron of five frigates drove out the British garrison, but the action was disowned by the Spanish Government, and the garrison was restored by Spain in 1770. In 1774 the post was temporarily abandoned. It is believed that the Spanish garrison was withdrawn in 1800. According to Admiral Fitzroy, "From 1810 to 1820 there was no person upon these islands who claimed even a shadow of authority over them." In November of the latter year the flag of "The United Provinces of South America" was hoisted with a claim to sovereignty. There does

not appear to have been any occupation until 1823, when one Louis Vernet, a German, obtained a concession from the Buenos Aires Government for the use of the fishery, cattle, and tracts of land in the East Falkland. The action of this Government was scarcely known in Europe until 1829, when a formal protest was made by Great Britain. In the same year Vernet was appointed Governor of the islands by the Government of the United Provinces of South America. In 1831 his settlement was, however, broken up by a United States corvette, and many persons, including his agent, were deported in retaliation for an exercise by him of his fishery rights against American sealers. Some years later, and after further British occupation, Vernet accepted compensation in full for all his property left in the islands. In January, 1833, Great Britain, following up the warnings given four years previously, reassumed occupation, and settled and developed the islands. The settlement was in charge of naval officers down to 1842, when Richard Clement Moody, a subaltern in the Royal Engineers, was appointed Lieutenant-Governor. He was raised to the rank of Governor shortly afterwards.

The Colony received grants-in-aid from the Imperial Government down to 1880, since which time it has been self-supporting.

Constitution.

The Government of the Colony of the Falkland Islands and its Dependencies is administered by a Governor aided by an Executive Council composed of three official members and one unofficial member, and a Legislative Council composed of three official and two unofficial members. The unofficial members of the Legislative Council are appointed by Warrant under the Royal Sign Manual and Signet for a term not exceeding five years.

I.—GENERAL OBSERVATIONS.

The Falkland Islands are inhabited almost exclusively by people of pure British origin. The descendants of the early pioneers now own the greater part of the land.

The Colony is entirely divided into sheep farms. Nearly one-third of the total area is owned by the Falkland Islands Company, who own about one-third of the sheep. The balance of the land is divided into 33 farms, of which 16 run over 10,000 sheep and the remainder less than that number. Of the larger farms, many are now owned by private companies under the direction of resident managers.

The sheep-farming industry was made the subject of exhaustive enquiry during the year 1924, and in accordance with the conclusions arrived at from the investigations a scheme was evolved for the establishment of an Experimental Farm under the auspices

of the Government. This scheme was inaugurated during the year under review by the importation of stud sheep from New Zealand and by the construction of houses for the staff of the Farm. The manager and the farm-hand appointed from New Zealand arrived in the Colony to assume their duties towards the close of the year.

The works under the Stanley Improvement Scheme, to which reference has been made in previous reports and which comprise a water supply and a drainage system for the town of Stanley as well as the reconstruction of the principal roads at a total cost of £35,000, made good progress during the year, and at the present rate there is little doubt but that they will be completed within the time anticipated, early in 1928. The drainage system was completed during 1926 and brought into use; the water supply, including mains and public fountains, was also completed with the exception of the reservoir; and Ross Road and other principal streets in the town were relaid and provided with a pavement or with a kerb and gutter.

Further development was again observed during the year in the introduction and use locally of motor vehicles. In the country districts particularly it is becoming practicable by the extension and improvement of tracks to travel for increasing distances by motor-car. A Morris half-creeper lorry was imported by the Government for use in connection with the haulage of peat from the bogs to Stanley and has given evidence of encouraging possibilities.

The Port and Marine Department was handicapped during the year in so much as both of the Government craft were out of commission for a considerable period on account of boiler and engine trouble. It was found necessary eventually to send the patrol-boat H.M.C.S. " Afterglow " to Punta Arenas in Chile for refit.

II.—FINANCIAL.

Revenue.

The revenue of the Colony for the year 1926 from all sources was £59,762, the revenue from normal sources, excluding the Dependencies' share in the cost of the Central Administration, being £42,812. The ordinary revenue exceeded the ordinary expenditure for the year by £13,596.

The amount derived from taxation in 1926 was £16,689, as against £15,000 in 1925. Of this sum, 53 per cent. was contributed by the sheep-farming interests, 43 per cent. by the community generally, and 4 per cent. by the residents of Stanley. No additional taxation was imposed during the year under review.

Expenditure.

The ordinary expenditure for 1926, including the sum of £1,638 under Public Works Extraordinary, was £38,216. In addition,

the sum of £9,882 was expended out of the surplus balances, almost wholly in connection with the Stanley Improvement Scheme to which reference has been made on page 6, and £7,630 was disbursed from the Land Sales Fund on the establishment of the Experimental Farm and on stock investigation and research. The ordinary expenditure, excluding Miscellaneous Services, £5,426, was heaviest under the Port and Marine Department, £5,497; the Medical Department, £3,303; the Public Works Department, Ordinary and Recurrent, £3,293 and £2,740, respectively; the Education Department, £2,436; and the Post Office, £2,425, which includes the maintenance of the revenue-producing wireless telegraphy station.

Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1926, amounted to £235,702. The following statement shows the balances at the beginning and at the end of the year :—

	1st January.	*31st December.*
	£	£
Land Sales Fund	192,067	191,781
Marine Insurance Fund ...	1,424	2,030
General Account	38,178	41,891
	£231,669	£235,702

Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5*s*., 10*s*., £1, and £5 notes issued by the Colonial Government under an Order in Council dated the 7th March, 1899. It was estimated that on the 31st of December, 1926, there was £2,500 of specie in circulation. During the year the issue circulation of Government notes was increased by £2,000 to £20,000.

The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1926, the total sum deposited was £129,345, and the number of deposit accounts 897, as against 861 on the 30th of September, 1925.

General.

The year 1926 was a satisfactory one financially, and it is a matter of gratification to observe that, while the expenditure from the surplus balances as stated above was £9,882, the funds standing to the credit of the General Account were increased by £3,713.

III.—TRADE, INDUSTRIES, AND SHIPPING.

Trade.

	1924.	*1925.*	*1926.*
	£	£	£
Imports	154,893	161,106	179,229
Exports	267,312	330,454	239,958
Total Trade ...	£422,205	£491,560	£419,187

Imports.

The following is a comparative table of the imports for the years 1924, 1925, and 1926 :—

	1924.	*1925.*	*1926.*
	£	£	£
Food, Drink, and Tobacco	53,692	49,114	62,895
Raw materials, and articles mainly unmanufactured	21,685	14,257	16,436
Articles wholly or mainly manufactured	74,791	82,459	92,686
Live Stock	4,725	15,251	7,212
Bullion and Specie	—	25	—
	£154,893	£161,106	£179,229

The principal articles imported into the Colony during 1926 were :—

	Value.
	£
Groceries	35,968
Hardware and Machinery	27,101
Drapery	13,531
Timber	13,191
Live Stock	7,212
Paints and Oils	6,862

Approximately 83 per cent. of the imports of the Colony came from the United Kingdom and about 4 per cent. from New Zealand, to the value of £148,771 and £7,661 respectively. The value of imports from foreign countries amounted to £22,797, as shown below :—

	£
Chile	11,247
Uruguay	6,773
Argentina	2,798
Norway	1,506
Other countries	473
	£22,797

There are no import duties except on spirits 15*s*. per gallon, wine 2*s*. and beer 6*d*. per gallon in bulk, tobacco 3*s*. a lb., and cigars 5*s*. a lb.

The following is a table of the dutiable imports and the revenue derived :—

	Quantity.	*Revenue.*
		£
Spirits	5,872 gals.	4,404
Wine	2,134 gals.	200
Beer	10,234 gals.	255
Tobacco	15,447 lb.	2,353
		£7,212

Exports.

Of the total value of the exports for the year 1926, approximately 90 per cent. represented the value of the wool exported and a little over 8 per cent. the value of other exported products of the sheep-farming industry.

The following table compares the exports of wool for the years 1924, 1925, and 1926, the values given being based for Customs purposes on the bottom prices of the year previous to that of export :—

	Quantities exported in lb.	*Value.* £
1924	4,106,990	253,567
1925	3,361,003	307,740
1926	4,377,385	214,290

There is an export duty on wool of 1*s*. on each 25 lb. of wool exported, in respect of which revenue in the sum of £8,807 was collected during the year.

Industries.

The sole industry of any importance is the sheep-farming industry. Returns compiled for the year ended on the 30th of June, 1926, show the total number of sheep in the Colony on that date as 605,675, of which 360,748 are recorded as being on East Falkland Island. During the year, 596 sheep were imported from New Zealand with a view to improving the stamina of the local flocks : of this number, 164 were imported for the Government Experimental Farm.

The market price of wool fell considerably during the latter part of 1925 and maintained a comparatively low level throughout 1926. The average price obtained for Falkland Islands wool shipped to the United Kingdom during the year under review was 1*s*. 3*d*. per lb.

Shipping.

The total number of vessels which entered the Colony in 1926 was 58, with a total tonnage of 98,504. Of these, 17 with a tonnage of 65,290 were British.

The following table shows the number, nationality, and description of the vessels entered :—

Nationality.	*Steamships.*	*Tonnage.*	*Sailing ships.*	*Tonnage.*
British	17	65,290	—	—
Norwegian ...	37	32,108	—	—
Chilean	4	1,106	4	334
	58	98,504	4	334

IV.—EDUCATION.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. The children in the country districts are taught by travelling teachers, two of whom are provided by the Government and two by the Falkland Islands Company, Limited. The Company also retains a resident teacher at its station at Darwin.

The number of children taught during the year is shown below :—

	Boys.	*Girls.*	*Total.*
At the Government School	101	64	165
At the Roman Catholic School	16	52	68
By the Government Travelling Teachers ...	37	29	66
By the Falkland Islands Company's Teachers	36	20	56
	190	165	355

The arrangements, referred to in last year's Report, for boarding children from the country districts attending school in Stanley at the Government Hostel, or in private houses, were continued during the year. The number of boarders at the Hostel was seven and of outside boarders nine. It is disappointing to record, however, that parents in the outlying parts of the Colony seem not to appreciate fully the benefits of the scheme or at any rate not to desire to any extent to take advantage of them. On this account the need for additional travelling teachers, particularly on the West Falkland, has become apparent, and the necessary steps to meet the situation are being considered.

V.—CLIMATE.

The climate of the Falklands is most trying to those unaccustomed to it, on account of the continuous high winds, rising frequently to terrific gales, which are prevalent throughout the

year and more intensely during the summer months. It is rigorous but healthy, although liable to induce nervous and mental depression in officials and others from home who are obliged to remain for too long a period without change from the very confined limits of the Colony. The frosts, however, are seldom heavy and the snow, which never lies long, is rarely more than ankle deep. The winds almost invariably commence in the early hours of the day from north-west and veer to the south-west in increasing force towards midday. Rainfall is well distributed over the year. The average fall is 26.43 inches per annum, or slightly more than at Kew. Although the temperature seldom rises above 63°, it falls below freezing point on about 50 days only throughout the year.

The mean barometric pressure during the year 1926 was 29.65 inches. The mean temperature was 46.8°, the absolute maximum, 71°, being recorded on the 28th of February, and the absolute minimum, 18°, on the 8th and 9th of June. The total rainfall recorded was 25.49 inches, the heaviest fall being .72 inches on the 17th of January. The mean wind force was 3.1 Beaufort scale.

The weather throughout the year was somewhat less severe than usual, and the wind comparatively moderate, only two gales of 8 force Beaufort scale being logged.

VI.—COMMUNICATIONS.

The total number of mails received at Stanley during 1926 was nine, all of which came by vessels arriving via Monte Video. Sixteen mails were despatched, six being sent direct via Monte Video, eight via Valparaiso, and two to South Georgia for retransmission to Europe by vessels engaged in the transport of whale oil from that Dependency. During the year, two opportunities occurred for direct steamship communication between New Zealand and the Colony. The number of passenger vessels which called at Stanley in 1926 was three, two of which were on the outward voyage from Europe and one on the return voyage.

Inter-insular mail communication in 1926 was fairly well maintained, the number of mails despatched from Stanley to West Falkland Island being thirty-three. Communication with the Dependency of South Georgia was, as usual, maintained by the Tonsberg Whaling Company under contract with the Government; one voyage was also made from Stanley to the Dependency of the South Shetlands during the whaling season by the vessel employed by this Company under their contract.

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Cumberland Bay, Grytviken, in the Dependency of South Georgia. A small station on the West Falkland Island is also maintained by the Government,

for inter-insular communication. The external traffic is transmitted and received principally through Monte Video, and also through Punta Arenas. Telegraphic charges are 4*s*. 2*d*. a word to the United Kingdom and 1*s*. 2*d*. a word to Monte Video and Punta Arenas. A postal radiotelegraphic service is also in force by means of which messages can be telegraphed to vessels passing the Colony, for re-transmission by post from the first port of call. The charge made for such messages is at the rate of 5*d*. a word, plus the sum of 1*s*. 9*d*. for postage.

VII.—VITAL STATISTICS.

The estimated population of the Colony on the 31st of December, 1926, was 2,271, composed of 1,275 males and 996 females, as compared with 2,252 on the 31st of December, 1925. The birth-rate was 25.98 per 1,000 and the death-rate 14.09 per 1,000. The density of the population throughout the Colony is set at .34 per square mile.

VIII.—SOCIAL.

The cost of living is moderate in country districts as in any similar pastoral community, but freight rates make imported provisions costly. Prices of provisions in 1926 were, with few exceptions, the same as in 1925. Mutton cost 3*d*. a lb., beef 5*d*. a lb., butter 2*s*. 6*d*. a lb., milk 1*s*. a quart, bread 1*s*. 2*d*. a quartern loaf, and tea 3*s*. a lb.

Wages on the farm stations ranged from £5 to £8 a month, with quarters, fuel, meat, and milk found. Town labourers were paid from £10 per month, or a shilling an hour, and artisans from £10 to £20, or 1*s*. 4½*d*. an hour.

There was no evidence of unemployment during 1926, nor was additional labour readily available on a sudden demand.

DEPENDENCIES.

INTRODUCTION.

Geographical.

The Dependencies consist of the following groups of islands: South Georgia, the South Orkneys, the South Shetlands, the South Sandwich Islands, and Graham's Land, situated in the South Atlantic to the south of the fiftieth parallel of south latitude and lying between the twentieth and the eightieth degrees of west longitude. The total area of land and sea included in the Dependencies amounts to more than three million square miles.

South Georgia, the principal island in the Dependencies, lies in latitude 54½° S. and longitude 36° to 38° W. It has an area of about 1,000 square miles.

Descriptive.

The island of South Georgia is a mass of high mountains covered with snow where not too precipitous, while the valleys between are filled with glaciers which in many cases descend to the sea. The coastal region is free from snow in summer and more or less clothed with vegetation. Land whaling-stations have been established in some of the numerous bays. There is a permanent resident population engaged in the whaling industry. The Resident Magistrate and other officials are stationed at Grytviken Harbour.

The remaining Dependencies are even more inhospitable, being nearly completely covered with snow and ice and almost entirely destitute of plant life. The chief harbour is Port Foster at Deception Island in the South Shetlands. These Dependencies are, however, ice-free for some four or five months in the year only.

Historical.

The regions in which the Dependencies lie were visited by a number of navigators in the sixteenth, seventeenth, and early part of the eighteenth centuries, usually involuntarily, in endeavours to round Cape Horn or pass through the Straits of Magellan. Captain Cook sighted and took possession of South Georgia and the Sandwich group for Great Britain in 1775. The large number of whales was especially reported upon. Mr. William Smith, in the snow " Williams " of Blyth, took possession of the South Shetlands in 1819. The South Orkneys were annexed by Captain George Powell in 1821. Mr. Edward Bransfield, R.N., under whom Mr. William Smith sailed in 1819-20, discovered the first part of Graham's Land, and Mr. John Biscoe discovered the west coast in 1832.

Profitable sealing voyages to South Georgia were made prior to 1793, and British whalers were met there in 1819. The fur-seal industry achieved such large proportions that no less than 91 vessels visited these islands in the two seasons 1820-21 and 1821-22. They are said to have practically exterminated the fur-seal, so recklessly did they work and wantonly slaughter. James Weddell stated that in 1822-24 these animals were almost extinct.

I.—GENERAL OBSERVATIONS.

The Dependencies, in contradistinction to the Colony, are inhabited almost exclusively and utilised mainly by foreigners, and are governed from the Falkland Islands with a central Administration in common. A resident official staff is stationed at South Georgia, which is the only part of the Dependencies which is permanently habitable. Such control as is possible over whaling operations in the other Dependencies is carried out by Government officials who accompany the expeditions.

At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of twenty-one years at annual rentals of £250. There are also five unoccupied leaseholds upon which rental is paid. The leases include the right to use two whale-catchers without the payment of additional licence fees. The harbours in the other Dependencies are ice-bound for about seven months in the year, and the work of boiling down is done on board floating factories. There are also land stations at Deception Island and at the South Orkneys, the personnel of which arrive and return with the whaling fleets.

The Royal Research Ships "Discovery" and "William Scoresby" continued work during the year in the Dependencies in accordance with the recommendations of the Interdepartmental Committee on Research and Development in the Dependencies. In particular, inquiries are being prosecuted into the conditions of the whaling industry, but it is as yet premature to pass any comment on the conclusions to be drawn from the investigations. During the winter season, when operations at South Georgia and at the South Shetlands are suspended from the beginning of June to the middle of September in each year, the "Discovery" and "William Scoresby" conducted operations off the coast of South Africa, which bore relation more especially to the life history and migratory habits of the whales.

II.—FINANCIAL.

The revenue derived from the Dependencies in 1926 was £221,595. The local expenditure was £100,325, leaving a surplus of revenue over expenditure of £121,270.

In accordance with the provisions of Ordinance No. 6 of 1924, the surplus of Dependencies' revenue, after providing for local services and meeting a share of the cost of the Central Administration in the Falklands, is reserved for research and development purposes. On the 31st of December, 1926, the total sums standing to the credit of the Research Fund amounted to £352,278.

The legal tender currency is British sterling and Falkland Islands notes.

There are no banking facilities. The bulk of the payments, including the export duty on whale oil, is paid by drafts on which a remittance rate of 1 per cent. is charged.

III.—TRADE, INDUSTRIES, AND SHIPPING.

Trade.

The value of the total trade of the Dependencies in 1926 was £4,690,760, of which £530,017 represented imports and £4,160,743 exports. Of the imports, coal, coke, and oil fuel accounted for £175,642 and provisions £44,400. The exports of whale and seal oil amounted to £3,982,999, of guano, £143,248, and of bonemeal, £12,996.

Industries.

Apart from sealing on a small scale at South Georgia, whaling is the sole industry. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season from the 1st of March to the 31st of October.

Export duty at the rate of 5*s*. a barrel is payable on oil at the time of shipment, a portion of the duty thus collected being refundable if the market price of the oil for the season in which it is shipped does not exceed £50 a ton. During the season 1925-26 prices did not rise above £35 a ton, and duty at the rate of 2*s*. a barrel was, in accordance with the scale of rebates in force, refunded, making the effective duty for the season at the rate of 3*s*. a barrel. Export duty at the rate of 1½*d*. per 100 lb. is payable on guano.

During the season 1925-26 whaling operations were conducted at South Georgia, the South Shetlands, and the South Orkneys, and resulted in a total catch of 13,188 whales, or 3,131 more than the previous season's catch, which at that time was the largest on record. There was an appreciable falling-off in the quantity of oil produced per whale, the average number of barrels being approximately 55 as against 66 in the season 1924-25. This decrease was attributable to the preponderance of the smaller species in the catch and the poor condition of the whales captured.

The following table shows the size and the value of the catches during the past four seasons :—

Season.	*Whales captured.*	*Barrels of oil produced.*	*Average of barrels per whale.*	*Value.*
				£
1922–23 ...	9,915	611,372	61·66	3,056,860
1923–24 ...	6,737	427,321	63·43	2,492,700
1924–25 ...	10,057	661,998	66·10	3,640,989
1925–26 ...	13,188	723,831	54·88	4,101,709

Sealing operations yielded 8,094 barrels of oil, as compared with 6,891 barrels produced in the previous season.

Shipping.

The following table shows the number of vessels which entered at South Georgia during 1926 :—

Nationality.	*Steamships.*	*Tonnage.*	*Sailing ships.*	*Tonnage.*
British	13	35,265	—	—
Norwegian ...	16	31,656	—	—
Argentine ...	4	6,168	3	2,202
German	1	1,859	—	—

Grytviken in South Georgia and Port Foster in South Shetlands are the only ports of entry in the Dependencies.

IV.—CLIMATE.

Five meteorological stations are maintained at South Georgia by the whaling companies with shore factories, and one is maintained in the South Orkneys by the Argentine Government.

The mean temperature at South Georgia was 34.3°, the absolute maximum, 68.6°, being recorded on the 13th of December, and the absolute minimum, 5.8°, on the 26th of June.

During the year rain fell on 100 days and snow and sleet on 180 days. A total rainfall of 35.044 inches was recorded, the greatest rainfall being 2.035 inches on the 4th of October.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness is caused by the absence of fresh provisions, but the climate is undoubtedly healthy.

V.—COMMUNICATIONS.

Vessels for South Georgia call at South American ports on their way out, and there is more or less regular communication between South Georgia and Buenos Aires. The South Shetlands whaling fleet calls at Stanley on the way south in October-November and again on the return voyage in April-May.

Direct communication was maintained during 1926, as in 1925, between Stanley and South Georgia by means of a vessel belonging to the Tonsberg Whaling Company, which is under contract with the Government to provide five round voyages between Stanley and Grytviken during the whaling season, and two additional voyages during the winter months. The terms of this contract also provide for one round voyage during the whaling season between Stanley and Port Foster in South Shetlands.

The wireless station at Grytviken, South Georgia, was in communication with Stanley throughout the year.

VI.—POPULATION.

The population of South Georgia fluctuates with the seasons of the whaling industry. It was estimated on the 31st December, 1926, at 1,895, or 1,888 males and seven females. Of this number, 76 were of British nationality and over 1,700 of Scandinavian origin.

J. M. ELLIS,
Acting Colonial Secretary.

COLONIAL SECRETARY'S OFFICE,
STANLEY, FALKLAND ISLANDS,
27th July, 1927.

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Annual Report on the Falkland Islands and its Dependencies for the Year 1927.

CONTENTS.

	Colony. *Page*	*Dependencies* *Page*
History and Geography	2	14
I. General Observations	5	16
II. Finance	6	17
III. Production	7	17
IV. Trade and Economics	8	18
V. Communications	9	19
VI. Justice, Police and Prisons	11	20
VII. Public Works	12	20
VIII. Public Health	12	20
IX. Education	13	20
X. Land and Survey	13	20
XI. Labour	14	21
XII. Miscellaneous	14	21

THE COLONY.

PREFATORY NOTE.

History and Geography.

The Falkland Islands, called by the French Isles Malouines and by the Spaniards Islas Malvinas, were discovered on the 14th of August, 1592, by John Davis in the "Desire," one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the "Dainty" on the 2nd of February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the "Welfare" sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and of fresh water, the Falkland Sound in memory of the well-known Royalist Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands," although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France with a small colony of Acadians transferred from Nova Scotia at Port Louis

in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont or Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlement early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new Colony at Port Louis in 1829. Vernet saw fit to seize certain vessels belonging to the United States' fishing fleet, and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833 Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of naval officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On the 8th of December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German squadron under Admiral Graf Von Spee, and a memorial commemorating this victory was unveiled at Stanley on the 26th of February, 1927.

The Colony is constituted as a Crown Colony with a Government of the usual type, having at its head a Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. The Legislative Council is composed of three official and two unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880 and a special grant for a mail service until 1885, since which date it has been wholly self-supporting.

The population of the Colony is almost exclusively of British descent and the only language spoken is English, although a certain number of Spanish terms are in common use in the sheep-farming industry relating principally to horse management and to topographical description. The monetary units and also the units of weights and measures are the same as in the United Kingdom, and Imperial gold, silver, and copper coinage is alone in circulation. The Colony issues its own currency notes, but Imperial currency notes are without distinction legal tender.

Geographically, the Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan, between 51° and 53° S. latitude and 57° and 62° W. longitude. In addition to the two main islands, known as the East and the West Falkland, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of group	4,618

The islands have a very deeply indentured coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collections of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in a few places oats and hay are grown. The soil is chiefly peat but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has rather less than a thousand inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate is rigorous but healthy. It is rendered trying to people from the United Kingdom on account of the continuous

cold, the lack of sun, and the constant high winds, as well as by the few opportunities afforded for outdoor exercise. The temperature is uniformly low, ranging from 40° to 70° in summer and from 30° to 50° in winter with an annual mean of 42°. The annual rainfall seldom exceeds 25 inches, and although snow falls frequently it does not as a rule lie long. In summer the atmosphere is very dry and the evaporation rapid.

I.—GENERAL OBSERVATIONS.

The Colony is devoted solely to sheep farming and all its interests are subordinated and all its energies directed to the production of wool. There is an encouraging tendency among owners and managers to modernize methods and to study the future, which cannot be described as free from anxiety by reason of the decreased carrying capacity of the pastures.

In the Administration the year was marked by numerous changes, foremost among which was the appointment of Mr. Arnold Hodson, C.M.G., to be Governor and Commander-in-Chief of the Colony and its Dependencies in the place of Sir John Middleton, K.B.E., C.M.G., now Governor and Commander-in-Chief in Newfoundland.

The memorial erected at Stanley by public subscription among Falkland Islanders in the Colony and in the United Kingdom to commemorate the Naval Victory of the 8th of December, 1914, was unveiled with due ceremony on the 26th of February, 1928, by the Acting Governor, His Excellency Lieut.-Colonel A. E. Beattie, C.B.E., M.C., and was dedicated by His Lordship the Bishop of the Falkland Islands, the Right Reverend N. S. de Jersey, D.D., in the presence of a landing party from H.M.S. " Capetown " present for the occasion and of the largest number of people believed to have assembled at once in the history of the Colony.

The cost of living remained generally on the high side as in preceding years. In the country, as in any similar pastoral community, it was more moderate, but freight rates made imported provisions expensive, this being felt particularly in the town. A serious shortage of dwelling accommodation began to become evident in Stanley during the year and it was exceedingly difficult to rent a house. For the occasional visitor there are several boarding houses which offer a reasonable degree of comfort and convenience but no hotels exist in the accepted sense of the term.

II.—FINANCE.

Revenue.

The revenue of the Colony for the year 1927 from all sources was £62,069, the revenue from normal sources, excluding the Dependencies share in the cost of the Central Administration, being £41,318. The ordinary revenue exceeded the ordinary expenditure for the year, excluding expenditure on public works of an extraordinary description, by £2,554.

The amount derived from taxation in 1927 was £16,149, as against £16,689 in 1926. Of this sum 50 per cent. approximately was contributed by the sheep-farming interests, 2.5 per cent. by the residents of Stanley, and the remaining 47.5 per cent. generally by the community. No additional taxation was imposed during the year nor was any alteration introduced in the method of raising revenue.

Expenditure.

The ordinary expenditure for 1927, including the sum of £1,878 under Public Works Extraordinary, was £39,936. In addition, the sum of £10,878 was expended out of the surplus balance principally on the scheme for the improvement of the town of Stanley, to which reference is made later in this Report, and £8,802 was disbursed from the Land Sales Fund in connection with the Experimental Farm. As in 1926 the ordinary expenditure, excluding Miscellaneous Services, £5,037, was heaviest under the Port and Marine Department, £5,161, the Public Works Department, Ordinary and Recurrent, £3,207 and £4,335, respectively, and the Medical Department, £3,649.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		Expenditure.	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
		*		†
1923	30,116	47,795	41,068	42,868
1924	37,918	59,093	41,701	42,767
1925	40,783	57,511	38,191	58,000
1926	42,812	59,762	38,216	48,099
1927	41,318	62,069	41,814	50,814

*** Excluding the Dependencies share in the cost of Central Administration, at present £9,000 a year.**

† Including expenditure under Public Works Extraordinary.

Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1927, amounted to £238,155. The following statement shows the balances at the beginning and at the end of the year :—

	1st January.	*31st December.*
	£	£
Land Sales Fund	191,781	194,123
Marine Insurance Fund... ...	2,030	2,636
General Account...	41,891	41,396
	£235,702	£238,155

Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5s., 10s., £1, and £5 notes issued by the Colonial Government under an Order in Council dated the 7th of March, 1899. It is estimated that on the 31st of December, 1926, there was £3,000 of specie in circulation. The issue of currency notes in circulation was unchanged from 1926 on the value of £20,000 at the maximum authorised. The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1927, the total sum deposited was £131,166, and the number of deposit accounts 918 as against 897 on the 30th of September, 1926.

General.

The year 1927 was satisfactory financially, while the expenditure from the surplus balance amounted, as stated above, to £10,878. The funds standing to the credit of the general account were reduced by £495 only. The Colony has no public debt.

III.—PRODUCTION.

The sole industry in the Colony is sheep-farming and the sole product wool. Agriculture is barely at the beginning of the experimental stage; there are no forests and but few trees and no fisheries; while no source of mineral wealth suitable for exploitation has yet been discovered. The year 1927 was favourable on the whole to the sheep-farming industry. By reason of the hard season the yield of wool showed a slight decrease, but the prices obtained were in correspondence slightly higher than in 1926, averaging 1s. 3½d. per lb.

IV.—TRADE AND ECONOMICS.

The sole exports are wool and allied substances such as hides and tallow, and the only imports those commodities required for the upkeep of the farms and the maintenance of the population. All foodstuffs with the exception of meat and a limited quantity of dairy and garden produce have to be obtained from abroad.

The following table shows the comparative value of the imports and exports during the past five years :—

	1923.	*1924.*	*1925.*	*1926.*	*1927.*
	£	£	£	£	£
Imports	141,080	154,893	161,106	179,229	174,338
Exports	137,440	267,312	330,454	239,958	247,933
	£278,520	£422,205	£491,560	£419,187	£422,271

Imports.

The following table shows the comparative returns of the import trade under the principal heads during the past five years :—

	1923.	*1924.*	*1925.*	*1926.*	*1927.*
	£	£	£	£	£
Food, Drink, and Tobacco...	38,813	53,692	49,114	62,895	70,302
Raw Materials and Articles mainly unmanufactured.	12,883	21,685	14,257	16,436	28,056
Articles wholly or mainly manufactured.	81,949	74,791	82,459	92,686	75,240
Live Stock	7,435	4,725	15,251	7,212	715
Bullion and Specie	—	—	25	—	25

The principal articles imported into the Colony during 1927 were :—

	Value. £
Groceries	43,612
Hardware and Machinery...	20,667
Drapery	16,371
Timber	14,954
Paints and Oils	5,055

Approximately 86.6 per cent. of the imports of the Colony came from the United Kingdom and about 1.1 per cent. from New Zealand, to the value of £151,109 and £2,069 respectively. The value of imports from foreign countries amounted to £21,160, as shown below :—

	£
Chile	9,992
Uruguay	5,827
Argentine	3,494
Other Countries	1,847

There are no import duties except on spirits £1 per gallon, wine 3s. per gallon, and beer 6s. per gallon in bulk, tobacco 4s. per lb., and cigars 6s. 9d. a lb. The following is a table of the dutiable imports and the revenue derived :—

	Quantity.	*Revenue.* £
Spirits	6,590 gallons	4,305
Wine	2,064 gallons	218
Beer	15,427 gallons	319
Tobacco	20,811 lbs.	2,772
		£7,686

Exports.

Of the total value of the exports for the year 1927 approximately 91.1 per cent. represented the value of the wool exported and a little over 7 per cent. the value of other exported products of the sheep-farming industry. The entire clip of wool was shipped for the United Kingdom.

The following table compares the exports of wool for the past four years, the values being based for Customs' purposes on the bottom prices of the year previous to that of export.

	Quantities exported in lb.	*Value exported in £.*
1924	4,106,990	253,567
1925	3,361,003	307,740
1926	4,377,385	214,290
1927	3,972,509	236,028

There is an export duty on wool, first imposed in 1924, of 1s. on each 25 lb. of wool exported, in respect of which revenue in the sum of £8,049 was collected during 1927. The greater proportion of the trade of the Colony, both import and export, is conducted by the Falkland Islands Company of which the head offices are situated in London. Other firms of lesser standing, principal among which is the Estate Louis Williams, carry on business mostly importing in Stanley.

V.—COMMUNICATIONS.

Since the opening of the Panama Canal the Falkland Islands have been off the main track of ocean lines and communications with the outside world have been in consequence irregular and at times precarious. Cargo vessels of the Pacific Steam Navigation Company called during the year at intervals of two months, approximately, on their way between Montevideo in Uruguay and the

ports on the west coast of South America in Chile and Peru. In the opposite direction three calls were made by similar ships early in the year in order to lift the wool clip direct for England. In addition, calls were made, as in 1926, by three passenger vessels belonging to the same Company, two outward, or westward, and one homeward, or eastward, bound as well as in special circumstances by two vessels of the Shaw, Savill, and Albion Company sailing between New Zealand, South America, and the United Kingdom. A mail was also received by H.M.S. " Capetown " which visited Stanley in February. With the object of securing a more frequent and regular service of mails between the Colony and Europe and of affording the opportunity in emergency for persons to reach or to leave the Colony arrangements were concluded for the despatch from time to time to Montevideo under contract to the Government of the s.s. " Fleurus " of the Tonsberg Whaling Company which was already engaged on the mail service between the Colony and the Dependency of South Georgia. Two voyages were made and the basis of working settled is that the service shall be supplementary to the previously existing service in such a manner as to ensure that no interval longer than one month more or less shall be allowed to elapse without the reception and the despatch of an overseas mail. As a corollary to this service arrangements have been made with His Majesty's Postmaster-General for the despatch weekly from the United Kingdom of mails for the Colony to Montevideo for collection at that port.

Communications with the Dependency of South Georgia were maintained as in the preceding years by the s.s. " Fleurus " of the Tonsberg Whaling Company, the Government paying a subsidy towards the cost of each voyage performed. The schedule of sailings provides for six voyages between Stanley and Grytviken during the whaling season, i.e., October to May, and for two voyages during the remainder of the year, and also for one voyage early in each year between Stanley and Deception Island in the South Shetlands.

Endeavours were made, furthermore, during 1927 to improve the communications existing between the main East and West Falkland Islands. The service previously provided by the coasting steamer s.s. " Falkland " of the Falkland Islands Company and by local schooners, some of which are and some of which are not fitted with auxiliary motor engines, was augmented by sailings of the s.s. " Fleurus ", the object proposed being to arrange that a reliable opportunity for the conveyance of passengers and mails should be afforded at least once every month or six weeks between Stanley and some principal settlement on the West Falkland and at least once every quarter between Stanley and the principal settlements on that Island.

The following table shows the number, nationality, and description of the vessels which entered the Colony from overseas in 1927 :—

Nationality.	*Steamships.*	*Tonnage.*	*Sailing-ships.*	*Tonnage.*
British	20	68,593	—	—
Chile	—	—	5	487
Ecuador	1	1,255	—	—
Finland	—	—	1	2,507
Norway	34	26,651	—	—
	55	96,499	6	2,994

These returns approximate nearly to those for 1926; the Norwegian steamships recorded were all vessels of the whaling fleet which touched at Stanley on their way to and from the fishing grounds in Antarctic waters.

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Grytviken in South Georgia. A small station is also maintained by the Government at Fox Bay on the West Falkland Island for inter-insular communication. There are no submarine cables in operation. Telegraph charges to the United Kingdom are 1s. a word via Bergen and 4s. 2d. a word via Montevideo. The postal rate of 1d. per ounce for letters to the United Kingdom still remains in force. It is noteworthy to remark that even throughout the Great War this rate was not increased.

There are no railways in the Colony and no roads outside the town of Stanley. Internal communication is carried out almost entirely by horse or by boat, but recent experiments with caterpillar cars have revealed interesting prospects of future development, which are being investigated both by the farmers and by the Government. There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use. Many of the farm settlements maintain their own lines which connect on the East Falkland to the Stanley system and on the West Falkland to the Fox Bay wireless station.

VI.—JUSTICE, POLICE, AND PRISONS.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Chief Justice, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with petty offences. The local Police Force consists of five Constables and a Chief Constable and is stationed entirely at Stanley. The Chief Constable is also gaoler in charge of the gaol in Stanley which accommodates only short-sentence prisoners. During 1927 no crime of a capital nature was brought before the Courts, and in general the Colony boasts an exceptionally clean record in this connection.

VII.—PUBLIC WORKS.

The principal undertaking of the Public Works Department during 1927 was the continuation of the scheme for the improvement of the town of Stanley, to which reference has been made in the Report for 1926. Expenditure totalling £6,740 was incurred on the completion of the reservoir and the inception of the water supply system and also on the construction of roads with side walks and drains in various parts of the town. Other public works included the erection of the first of a number of bungalows for occupation by Government officials and the building of a drill hall for the use of the Falkland Islands Defence Force, the latter meeting a long-felt need. The year 1927 was, however, largely a year of re-organization and of preparation for a more ambitious programme in future years.

VIII.—PUBLIC HEALTH.

As in previous years general diseases were rare with the one exception of tuberculosis which was present to a degree that calls urgently for some form of action to prevent its further spread. The prevalence of this disease would appear to be aggravated to a great extent by inadequate housing conditions and by close intermarriage. Steps are being taken to alleviate the former evil and it is hoped in the near future to institute bacteriological work in this connection with the view to the successful discovery of the disease in its early stages. Chronic appendicitis is also prevalent among the inhabitants of the Colony, which may be due in part to tubercle and in part to diet. Communicable diseases, mosquito or insect borne, were entirely absent and no acute infectious condition was reported in the Colony during the year. Septic throat and cervical adenitis were troublesome, but it is anticipated that the causes of these diseases will be removed in great measure by the completion of the new drainage system under the Stanley Improvement Scheme. The teeth generally of the people require attention and particular care is being devoted to the dental treatment of the school children, who all receive free attendance. An outbreak of catarrhal cold occurred in the spring of the year—October and November in the southern hemisphere—and its treatment with stock vaccine did not meet with much success. In this case again bacteriological work is indicated with the object of determining the specific vaccine.

The entire population of the Falkland Islands is of European and chiefly of British descent in which Scotch blood is marked. The estimated population at the end of 1927 was 2,286. The birth-rate was 22.31 per 1,000 and the death-rate 9.62 per 1,000 during the year.

IX.—EDUCATION.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management; provision is also made in these schools for attendance at a continuation class for a two years' course of further education. The children in the country districts are taught by travelling teachers, two of whom were provided during 1927 by the Government and two by the Falkland Islands Company, which corporation maintained in addition a resident teacher at its headquarters station at Darwin.

The number of children under instruction during the year is shewn in the following table :—

	Boys.	*Girls.*	*Total.*
At the Government School	105	69	174
At the Roman Catholic School	24	56	80
By the Government Travelling Teachers ...	38	27	65
By the Falkland Island Company's Teachers	43	32	75
	210	184	394

The attendance at the Government School in Stanley was exceptionally good throughout the year, averaging the highest figure on record, 91.2 per cent. For the first year since 1922 it was not necessary to close the school on account of illness, and the regular curriculum was carried out free of interruption.

The number of boarders at the Hostel maintained by the Government in Stanley in connection with the school for the benefit of children from the country districts was eleven in 1927 as compared with seven in 1926. This increase is partly attributable to the reduction effected of the inclusive fees charged, but the real advantages afforded by the scheme do not appear even yet to be appreciated by parents in the outlying parts of the Colony. Eight other children from the " Camp " received monthly grants towards the cost of their board in Stanley in private houses for the purpose of attending the school. The problem of the education of " Camp " children is far from a satisfactory solution and measures were considered during the year to remedy the situation, including the provision of additional travelling teachers, especially on the West Falkland.

X.—LAND AND SURVEY.

Practically the entire lands of the Colony are given over to sheep-farming and are in the possession of private persons who for the most part enjoy a freehold either absolute or under purchase from the Government by annual instalments. Certain areas reserved by the Crown are leased on short tenure for a like purpose. No waste lands are available for occupation or development and lands

of any description are difficult to acquire, and then only by special treaty. The Colony has never been surveyed in any detail and the charts of its coasts are somewhat antiquated although they cannot be termed inadequate.

XI.—LABOUR.

The supply of labour in 1927 was approximately equal to the demand and no unemployment occurred. As in 1926, wages on the farm stations ranged from £5 to £8 a month with quarters, fuel, meat, and milk found. Some of the farm managers imported hands in a limited number from the United Kingdom, as the work available in Stanley, coupled with the attractions of the town, tended to act as a deterrent from accepting employment in the "Camp." Labourers in Stanley were paid from £10 a month, or 1s. an hour, and artisans from £10 to £20 a month, or 1s. 4½d. an hour. Wages of domestic servants varied from £2 10s. to £4 a month with all found.

XII.—MISCELLANEOUS.

No event of outstanding interest or importance is to be recorded during 1927 which has not been noticed in a previous chapter of this Report. The R.R.S. "Discovery" and the R.S.S. "William Scoresby" visited Stanley during the year in the course of their scientific operations in Antarctic waters. As a reminder of the old days of sail the Finnish barque "Fennia" which was worsted in the struggle to round Cape Horn in May put into Stanley in distress and has since been abandoned and sold as a storage hulk. The Governor gave a Christmas party and play, "The Troubles of Santa Claus," to which all the children of the Colony were invited. The play proved so popular that repeated performances were staged into the following year. The annual Race Meeting for the East Falkland, held at Stanley in Christmas week, was especially enjoyable on account of the unusually fine weather prevailing—the conditions were, indeed, said to be the most favourable for some years past.

DEPENDENCIES.

PREFATORY NOTE.

History and Geography.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship "Dove," who landed on Coronation Island on the 7th of December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig "Williams" in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land on the Antarctic continent and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers were reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1821 and 1821-1822 by no fewer than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-1824 these animals were almost extinct.

The area of the Dependencies covers 3,100,000 square miles or 1½ per cent. of the entire surface of the globe and one-fifth approximately of the total area of the British Empire. Much of it is ice-bound, but there are more than a million square miles of sea readily accessible for whaling, fishing and sealing.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands in latitude 54½° South, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. The South Georgia with the South Orkneys and South Sandwich group of dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and the fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the parallel of fifty-eight latitude south and by the meridians of longitude fifty and eighty west. Both territories extend to the South Pole. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Shetlands. It has an area of about 1,000 square miles and is about 100 miles in length with a maximum breadth of 20 miles and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-east side of the island where the snow melts in the summer. There are no indigenous quadrupeds other than seals, but reindeer

have been introduced and are thriving well. There are many sea-birds, including penguins and albatrosses. The sea-elephant, the sea-leopard, and the Weddell's seal frequent its coasts. The shore has been indifferently charted, but a survey party is at present operating in the Dependency under the direction of the " Discovery " expedition. There are some good harbours which serve as bases for the whaling enterprises.

I.—GENERAL OBSERVATIONS.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilised mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff is maintained at South Georgia, and control over whaling operations in the other dependencies is carried out by representatives of the Government who accompany the expeditions.

At South Georgia, which is devoted solely to the whaling industry, five land stations have been established and are occupied throughout the year. A land station has also been erected at Deception Island in the South Shetlands, the personnel of which arrives and returns annually with the whaling fleet. In the Dependencies other than South Georgia, however, the harbours are ice-bound for seven or more months in the year and the work of boiling down is done on board floating factories.

The expedition for research, mainly into whaling, styled " The Discovery Expedition," continued operations in the waters of the Colony and of the Dependencies during the early part of the year with the two ships " Discovery " and " William Scoresby " which left at the beginning of the winter for South Africa and eventually the United Kingdom. The first report on this work was published during the year.

For the first time for some years past the Governor was enabled to visit South Georgia and personally to study conditions on the spot. His stay of a week in mid-winter in the month of August was highly appreciated by the community as a whole.

At Laurie Island in the South Orkneys the Argentine Government continued to maintain the meteorological station established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and transferred by him in 1904. The Argentine Government has subsequently erected a wireless station for use in conjunction with the meteorological station.

II.—FINANCE.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1927 to £206,059. The local expenditure was £111,306, leaving a surplus of £94,753 which, in accordance with the provisions of Ordinance No. 6 of 1924, was transferred to the Research and Development Fund.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1923	160,221	7,436
1924	131,676	27,711
1925	180,098	77,928
1926	221,595	100,325
1927	206,059	111,306

The total amount of the surplus assets standing to the credit of the Research and Development Fund at the 31st of December, 1927, was £421,001. There is no public debt.

The legal tender currency is British sterling and Falkland Islands notes.

No banking facilities exist. The bulk of the payments, including the export duty on whale oil, is made by drafts on which a remittance rate of 1 per cent. is charged.

III.—PRODUCTION.

Apart from sealing on a small scale at South Georgia, whaling is the only industry in the Dependencies, and whale oil and by-products of the whale, such as guano, their sole produce.

The whaling season is restricted to the period from the 16th of September to the 31st of May and the sealing season from the 1st of March to the 31st of October.

During the season 1926-1927 the price of whale oil fell below £30 a ton and, in accordance with the sliding scale in force, the net rate of export duty payable was 2s. 6d. a barrel or 15s. 0d. a ton; the export duty on guano is fixed at the date of 1½d. per 100 lb.

The season 1926-1927 at South Georgia and the South Orkneys showed a record working in regard to the production of oil, principaliy on account of the high proportion of blue whales in good condition killed to the total catch. The results obtained at the South Shetlands, however, were disappointing in comparison with previous years, the whales caught being both relatively few in number and poor in condition.

The average quantity of oil produced per whale was 68.56 barrels, or an increase of 14.88 barrels as compared with 1925-1926. The

average of 93.17 barrels per whale obtained at South Georgia and the South Orkneys, respectively, is the highest on record and registers a marked advance on that of preceding seasons. The following table, in which the price of whale oil is put at the lowest figure reached in 1926-1927, namely, £26 a ton, gives the size and value of the catch during the past five seasons :—

Season.	*Whales killed.*	*Barrels of oil produced.*	*Average Number of barrels per whale.*	*Value.* £
1922–23 ...	9,915	611,372	61·66	3,056,860
1923–24 ...	6,737	427,321	63·43	2,492,700
1924–25 ...	10,057	661,998	66·10	3,640,989
1925–26 ...	13,188	723,831	54·88	4,101,709
1926–27 ...	10,631	729,891	68·56	3,158,431

The production of guano was considerably increased. The number of bags manufactured at South Georgia alone during the 1926-1927 season was 207,992, to an estimated value of £161,280, as against 187,584 bags during the 1925-1926 season.

Sealing operations yielded 10,033 barrels of oil, as compared with 8,094 barrels of oil in 1925-1926 and 6,891 in 1924-1925. The value of seal oil is slightly higher than that of whale oil.

IV.—TRADE AND ECONOMICS.

The value of the total trade of the Dependencies in 1927 was £4,414,625, of which £557,060 represented imports and £3,877,565 exports. Of the imports, coal, coke, and oil fuel accounted for £284,501 and provisions £46,018. The exports of whale and seal oil amounted to £3,641,974, of guano to £229,384, and of bone meal to £2,422.

The following table gives the comparative value of the trade of the Dependencies during the past five years :—

	Imports. £	*Exports.* £	*Total.* £
1923	283,632	2,919,379	3,203,001
1924	320,448	2,318,536	2,638,984
1925	372,740	3,585,110	3,957,850
1926	530,017	4,160,743	4,690,760
1927	537,060	3,877,565	4,414,625

Of the imports the bulk of the coal in the usual course is obtained from the United Kingdom and of the provisions from Norway. The exports of whale and seal oil and guano are sold on the European market in large measure to Germany, but the consumption in the United Kingdom is not inconsiderable. The firm of Lever Brothers of Port Sunlight owns the Southern Whaling and Sealing Company, which operates from a land station in South Georgia and with a floating factory expedition at the South Shetlands, and utilizes the produce for the purpose of its manufactures. The South Georgia Company, which operates similarly

from a land station and with a floating factory, is also British, owned by Messrs. Salvesens of Leith; and British capital has acquired recently further large interests in the Anglo-Norse and Hektor Whaling Companies.

V.—COMMUNICATIONS.

As noticed in a previous chapter of this Report, communication of a regular nature more or less between South Georgia and Stanley and once a year between the South Shetlands and Stanley is maintained by the s.s. "Fleuris," of the Tonsberg Whaling Company, running under contract to the Government.

During the whaling season direct sailings between Europe and South Georgia in either direction are not infrequent, and there is a fairly reliable service between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. "Tijuca" of the Compania Argentina de Pesca. The vessels of the South Shetlands whaling fleet call for the most part at Stanley both on the way down to the fishing grounds in October and on the return voyage in May.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken which is in regular communication with Stanley and also on short-wave with Bergen in Norway. The Argentine Government is permitted to maintain a wireless station for use in connection with the meteorological station on Laurie Island in the South Orkneys. There are no railways or roads in the Dependencies. Grytviken and Port Foster at Deception Island in the South Shetlands are the only ports of entry in the Dependencies.

The table below shows the number of vessels which entered at South Georgia during 1927 :—

Nationality.	*Steamships.*	*Sailing-vessels.*	*Tonnage.*
British	13	—	38,419
Argentine	4	3	9,555
Danish	2	—	3,675
Norwegian	26	—	44,648
Peruvian	1	—	1,633
	46	3	97,930

which total figures compare as follows with those for 1926 :— Steamships 34, sailing vessels 3, and tonnage 77,150. The large increase recorded in the case of steamships is due principally to the fact that ten more such vessels of Norwegian register belonging to the whaling fleet called at South Georgia during the year under review than in the previous year.

VI.—JUSTICE, POLICE AND PRISONS.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to the Dependencies. During 1927 no serious crime occurred in the Dependencies. Despite the trying conditions the personnel of the whaling industry forms a most peaceful and law-abiding community calling seldom, if ever, for the intervention of the civil authorities, a fact which itself speaks highly of the discipline maintained by the managers of the several stations.

VII.—PUBLIC WORKS.

No public works of any magnitude or importance were carried out during 1927. The Compania Argentina de Pesca, however, undertook privately the construction of a floating dock at Grytviken which promises to be of great benefit to the entire whaling industry.

VIII.—PUBLIC HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness with occasional outbreaks of beri-beri is caused by the lack of fresh foodstuffs, but the climate of South Georgia, although rigorous, is undoubtedly healthy. No medical officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors and at South Georgia well-equipped hospitals. There is also an efficient hospital at Deception Island, which is kept in commission during the season.

The population of South Georgia fluctuates with the seasons of the whaling industry. During the summer it approximates to 2,000, practically all males, and during the winter to one-quarter of that number. The British inhabitants of South Georgia do not exceed one hundred, and the remainder are almost exclusively Norwegians or of Scandinavian origin.

IX.—EDUCATION.

There are no children in the Dependencies and the problem of education does not therefore arise.

X.—LANDS AND SURVEY.

All land in the Dependencies is owned by the Government. At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of twenty-one years at annual rentals of £250; some of these leases have been temporarily renewed. There are also five unoccupied leaseholds upon which rental is paid. Land stations have been

similarly established at Deception Island in the South Shetlands and on Signy Island in the South Orkneys.

The mineral potentialities of South Georgia have yet to be determined and no attempt has been made hitherto to exploit them. No detailed survey of the lands has been undertaken and the charts of the coasts are of necessity very incomplete. Much information has been obtained, however, by the vessels of the whaling fleet, and the " Discovery " expedition has at the present time a survey party engaged on detailed work in the harbours of South Georgia.

XI.—LABOUR.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms from Norway. The bonus system on production is generally in vogue. The personnel of the several stations and expeditions for the most part arrive and depart with the whaling fleet at the beginning and the end of each whaling season. No labour troubles requiring the intervention of the Government occurred during the year under review.

XII.—MISCELLANEOUS.

The 1926-1927 whaling season was remarkable principally for the severe ice conditions and the development of fishing close to or even inside the ice-pack. The ice broke up particularly early and the drift was exceptionally pronounced, large bergs being sighted in considerable numbers as far to the north as Montevideo. In consequence the risks ordinarily attaching to whaling in Antarctic waters were much enhanced. Two floating factories, the s.s. " Southern Queen " and the s.s. " Professor Gruvel," were lost as the result of damage by ice, and several other vessels suffered in a greater or lesser degree.

J. M. ELLIS,
Colonial Secretary.

COLONIAL SECRETARY'S OFFICE,
STANLEY, FALKLAND ISLANDS,
17*th December*, 1928.

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CONTENTS.

	Colony. *Page*	*Dependencies* *Page*
History and Geography	2	19
I. General	5	20
II. Finance	6	21
III. Production	8	22
IV. Trade and Economics	8	23
V. Communications	10	24
VI. Justice, Police and Prisons	12	25
VII. Public Works	12	25
VIII. Public Health	12	25
IX. Education	16	25
X. Land and Survey	17	26
XI. Labour	17	26
XII. Miscellaneous	17	26
Map.		

PART I.

THE COLONY.

History and Geography.

The Falkland Islands, called by the French Isles Malouines and by the Spaniards Islas Malvinas, were discovered on the 14th August, 1592, by John Davis in the " Desire." one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the " Dainty " on the 2nd of February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the " Welfare " sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and of fresh water, the Falkland Sound in memory of the well-known Royalist Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643 ; and from this the group afterwards took its English name of " Falkland Islands " although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the Southern Seas, bought out the French from the settlement at Port Louis, which they re-named Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlement early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new Colony at Port Louis in 1829. Vernet saw fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833 Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844 when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the West Coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On the 8th of December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on the 26th of February, 1927.

The Colony is constituted as a Crown Colony with a Government of the usual type, having at its head a Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. The Legislative Council is composed of three official and two unofficial members, the latter being nominated by the Crown. The Colony received a regular

grant-in-aid from the Imperial Treasury until 1880 and a special grant for a mail service until 1885, since which date it has been wholly self-supporting.

The population of the Colony is almost exclusively of British descent and the only language spoken is English, although a certain number of Spanish terms are in common use in the sheep-farming industry relating principally to horse management and to topographical description. The monetary units and also the units of weights and measures are the same as in the United Kingdom and Imperial gold, silver, and copper coinage is alone in circulation. The Colony issues its own currency notes, but Imperial currency notes are without distinction legal tender.

Geographically the Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan, between 51° and 53° S. latitude and 57° and 62° W. longitude. In addition to the two main islands, known as the East and the West Falkland which are divided by the Falkland Sound running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :—

	Square Miles.
East Falkland and adjacent islands ...	2,580
West Falkland and adjacent islands ...	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collections of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in a few places oats and hay are grown. The soil is chiefly peat but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about a thousand inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is

divided ; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate is rigorous but healthy. It is rendered trying to people from the United Kingdom on account of the continuous cold, the lack of sun, and the constant high winds, as well as by the few opportunities afforded for outdoor exercise. The temperature is uniformly low, ranging from 40° to 70° in summer and from 30° to 50° in winter with an annual mean of 42°. The annual rainfall seldom exceeds 25 inches and although snow falls frequently it does not as a rule lie long. In summer the atmosphere is very dry and the evaporation rapid.

I.—GENERAL.

The Colony is devoted almost solely to sheep farming and all its interests are subordinated and its energies directed to the production of wool. There is an encouraging tendency among owners and managers to modernize methods and to study the future, which cannot be described as free from anxiety by reason of the decreased carrying capacity of the pastures.

The cost of living remained on the high side as in preceding years, showing indeed a tendency rather to rise than to fall. In the country, as in any similar pastoral community, it was more moderate, but freight rates made imported provisions expensive, this being felt particularly in the town. The shortage of dwelling accommodation in Stanley, noticed in the Report for 1927, threatened to become acute during the year and measures to meet the situation in this regard are of urgent necessity, and are, in fact, shortly to be undertaken. At the present time it is very difficult to rent a house in Stanley, but for the occasional visitor there are several boarding houses which offer a reasonable degree of comfort and convenience. No hotels, however, exist in the accepted sense of the term.

During the absence on leave of the Governor, His Excellency Arnold Hodson, C.M.G., the Administration of the Government from June to the end of the year was conducted by the Colonial Secretary, Mr. J. M. Ellis. No outstanding change of personnel occurred, but mention should be made of the visit to take temporary duty and to report on the medical situation in the Colony of Dr. J. Hope Reford, C.M.G., M.D., late Director of Medical and Sanitary Services in the Protectorate of Uganda, a summary of whose findings is contained in a subsequent chapter of this Report. Further progress was made generally towards the re-organisation of essential services with the view to the early inception of various schemes of public utility.

Three visits to Stanley were paid during the year by ships of His Majesty's Navy, namely, the destroyers *Amazon* and *Ambuscade* in May, and the cruisers *Cornwall* and *Colombo*, respectively, in July and August. As usual their visits were most popular and lent much life to the town.

Captain Sir Hubert Wilkins in command of the Wilkins-Hearst Antarctic Expedition passed through Stanley on board the whaling vessel s.s. *Hektoria* at the end of October bound for Deception Island in the South Shetlands. An account of his discoveries is given later in this Report.

On the economic side an important step was taken in the introduction in Stanley as from the 1st of April of the eight hours working day. The new working day has not been applied to the Camp nor is it necessarily intended or desirable that it should so be applied by reason of the greatly differing conditions which obtain in the Camp and in Stanley.

II.—FINANCE.

Revenue.

The revenue of the Colony for the year 1928 from all sources was £73,957, the revenue from normal sources, excluding the Dependencies' share in the cost of the Central Administration, being £42,011.

The amount derived from taxation in 1928 was £16,156 as against £16,149 in 1927. Of this sum 50 per cent. approximately was contributed by the sheep-farming interests, 4.0 per cent. by the residents of Stanley, and the remaining 46.0 per cent. generally by the community. No additional taxation was imposed during the year except a small increase of the duty on the importation of wines, spirits, and tobacco, nor was any alteration introduced in the method of raising revenue.

Expenditure.

The ordinary expenditure for 1928, including the sum of £8,215 under Public Works Extraordinary, was £63,544. In addition, the sum of £5,359 was expended out of the surplus balances principally on the scheme for the improvement of the town of Stanley to which reference has been made in previous Reports, and £1,361 was disbursed from the Land Sales Fund in connection with the Experimental Farm. The ordinary expenditure, excluding Miscellaneous Services, £7,776, was heaviest under the Post Office £5,432, the Marine Department £6,581, the Medical Department £5,182 and the Public Works Department, Ordinary, Recurrent, and Extraordinary in the amounts, respectively, of £3,927, £7,133, and £8,215.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		Expenditure.	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
		*		†
1924	37,918	59,093	41,701	42,767
1925	40,783	57,511	38,191	58,000
1926	42,812	58,762	38,216	48,099
1927	41,318	62,069	41,814	50,814
1928	42,011	73,957	63,544	68,903

Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1928, amounted to £241,849. The following statement shows the balances at the beginning and at the end of the year :—

	1*st January.*	31*st December.*
	£	£
Land Sales Fund	194,123	215,042
Marine Insurance Fund ...	2,636	2,742
General Account	41,396	23,505
	£238,155	£241,849

Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5*s.*, 10*s.*, £1, and £5 notes issued by the Colonial Government under an Order in Council dated the 7th of March, 1899. It is estimated that on the 31st of December, 1928, there was £3,000 of specie in circulation. The issue of currency notes in circulation was twice increased during 1928 from the value of £20,000 to the value of £24,000, at the maximum authorised. The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1928, the total sum deposited was £134,422, and the number of deposit accounts 955 as against 918 on the 30th of September, 1927.

General.

The year 1928 was again satisfactory financially, the revenue was collected to the full without administrative difficulty and exceeded the estimate under both the ordinary and other heads. Despite exceptional expenditure on recurrent services and on extraordinary works the funds standing to the credit of the general account of the Colony amounted at the end of the year to £23,505. The Colony has no public debt.

* Excluding the Dependencies' share in the cost of Central Administration, at present £9,000 a year.

† Including expenditure under Public Works Extraordinary.

III.—PRODUCTION.

The principal and practically the sole industry in the Colony is sheep-farming, and its only product to all intents and purposes is wool. During the year the recently established Falkland Islands and Dependencies Sealing Company commenced operations on a comparatively small scale for the extraction of oil from the hair-seals which abound throughout the islands, and there is a good expectation that the foundations of a secondary industry are thus being laid. Up to the end of the year the company produced some 220 tons of oil to an estimated value of approximately £6,000.

Otherwise no alternative course of wealth is exploited or known. Agriculture is barely at the beginnning of the experimental stage; there are no forests and no fisheries, while mineral deposits suitable for commercial working have yet to be discovered.

The year 1928 was favourable on the whole to the sheep-farming industry. The yield of wool was up to the average and the prices obtained were high, averaging 1*s.* 6*d.* per lb. as against 1*s.* 3½*d.* per lb. in 1927.

IV.—TRADE AND ECONOMICS.

Practically the sole exports are wool and allied substances such as hides and tallow and the only imports those commodities required for the upkeep of the farms and the maintenance of the population. All foodstuffs with the exception of meat and a limited quantity of dairy and garden produce have to be obtained from abroad.

The following table shows the comparative value of the imports and exports during the past five years :—

	1924.	*1925.*	*1926.*	*1927.*	*1928.*
	£	£	£	£	£
Imports	154,893	161,106	179,229	174,338	147,068
Exports	267,312	330,454	239,958	247,933	296,311
	£422,205	£491,560	£419,187	£422,271	£443,379

Imports.

The following table shows the comparative returns of the import trade under the principal heads during the past five years :—

	1924.	*1925.*	*1926.*	*1927.*	*1928.*
	£	£	£	£	£
Food, Drink, and Tobacco...	53,692	49,114	62,895	70,302	45,568
Raw Materials and Articles mainly unmanufactured.	21,685	14,257	16,436	28,056	22,289
Articles wholly or mainly manufactured.	74,791	82,459	92,686	75,240	74,338
Live Stock	4,725	15,251	7,212	715	2,973
Bullion and Specie	—	25	—	25	1,900

The principal articles imported into the Colony during 1928 were :–

	Value.
	£
Groceries	28,548
Hardware and Machinery	26,637
Drapery	9,624
Timber	7,740
Paints and Oils...	5,906

Approximately 84.8 per cent. of the imports of the Colony came from the United Kingdom as compared with 86.6 per cent in 1927. There were no imports from other parts of the British Empire. The value of imports from foreign countries amounted to £21,674 as shown below and as compared with £21,160 in 1927 :—

	£
Chile	6,083
Uruguay...	5,928
Norway	4,689
Argentine	4,121
Other countries...	853

There are no import duties except on spirits £1 per gallon, wine 3*s.* per gallon, and beer 6*d.* per gallon in bulk, tobacco 4*s.* per lb., and cigars 6*s.* 9*d.* a lb. The following is a table of the dutiable imports and the revenue derived :—

	Quantity.	*Revenue.*
		£
Spirits	4,985 gallons	4,985
Wine	1,554 gallons	233
Beer	14,048 gallons	351
Tobacco	9,950 lb.	1,996
		£7,565

Exports.

Of the total value of the exports for the year 1928 approximately 94.8 per cent. represented the value of the wool exported and a little over 5 per cent. the value of other exported products of the sheep-farming industry. The entire clip of wool was shipped for the United Kingdom.

The following table compares the exports of wool for the past five years, the values being based for Customs' purposes on the bottom prices of the year previous to that of export.

	Quantities exported in lb.	*Value exported in £.*
1924	4,106,990	253,567
1925	3,361,003	307,740
1926	4,377,385	214,290
1927	3,972,509	236,028
1928	3,929,487	280,770

There is an export duty on wool, first imposed in 1924, of 1*s.* on each 25 lb. of wool exported, in respect of which revenue in the sum of £7,859 was collected during 1928. The greater proportion of the trade of the Colony, both import and export, is conducted by the Falkland Islands Company of which the head offices are situated in London. Other firms of lesser standing, principal among which is the Estate Louis Williams, carry on business, mostly importing, in Stanley.

V.—COMMUNICATIONS.

Since the opening of the Panama Canal the Falkland Islands have been off the main track of ocean lines and communications with the outside world have been in consequence irregular and at times precarious. Cargo vessels of the Pacific Steam Navigation Company called at Stanley during the year at intervals of from two to three months on their way between Montevideo in Uruguay and the ports on the west coast of South America in Chile and Peru. In the opposite direction three calls were made by similar ships in the first part of the year in order to lift the wool direct for England. In addition calls were made, as in 1926 and 1927, by three passenger vessels belonging to the same company, two outward, or westward, and one homeward, or eastward, bound. Mails were also received and forwarded by H.M. ships *Amazon*, *Ambuscade*, *Cornwall* and *Colombo* and by the M.V *Tijuca* belonging to the Compania Argentina de Pesca in the months, respectively, of June, July, August, and December, as well as by the vessels of the South Shetlands whaling fleet on the way outward and homeward in October and November and in April and May. With the object of securing a more frequent and regular service of mails between the Colony and Europe and of affording the opportunity in emergency for persons to reach or to leave the Colony, arrangements have been concluded, and were in satisfactory operation during the year, for the despatch from time to time to Montevideo, under contract to the Government, of the S.S. *Fleurus* of the Tonsberg Whaling Company, which vessel is ordinarily engaged on the mail service between the Colony and the Dependency of South Georgia. Four voyages were made and the basis of working settled is that the service shall be supplementary to the previous existing service in such a manner as to ensure that no interval longer than one month more or less shall be allowed to elapse without the reception and the despatch of an overseas mail. As a corollary to this service arrangements have been made with His Majesty's Postmaster General for the despatch weekly from the United Kingdom of mails, including parcel mails, for the Colony to Montevideo for collection at that port.

Communications with the Dependency of South Georgia were maintained as in the preceding years by the s.s. *Fleurus* of the Tonsberg Whaling Company, the Government paying a subsidy

towards the cost of each voyage performed. The schedule of sailings provides for six voyages between Stanley and Grytviken during the whaling season, i.e., October to May, and for two voyages during the remainder of the year and also for one voyage early in each year between Stanley and Deception Island in the South Shetlands.

Endeavours were continued during 1928 to improve the communications existing between the main East and West Falkland Islands. The service previously provided by the coasting steamer s.s. *Falkland* of the Falkland Islands Company and by local schooners some of which are and some of which are not fitted with auxiliary motor engines, was augmented by sailings of the s.s. *Fleurus*, the object proposed being to arrange that a reliable opportunity for the conveyance of passengers and mails should be afforded at least once every month or six weeks between Stanley and some principal settlement on the West Falkland and at least once every quarter between Stanley and all the principal settlements on that Island.

The following table shows the number, nationality, and description of the vessels which entered the Colony from overseas in 1928 :—

Nationality.	*Steamships.*	*Tonnage.*	*Sailing-ships.*	*Tonnage.*
British	15	57,884	—	—
Argentine	—	—	1	734
Chile	1	496	—	—
Norway	28	27,860	—	—
	44	86,240	1	734

These returns show a decrease of 20 per cent. in the number of steamships as compared with those for 1921, and of 12.5 per cent. in the total tonnage ; the Norwegian steamships recorded were all vessels of the whaling fleet which touched at Stanley on their way to and from the fishing grounds in Antarctic waters.

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Grytviken in South Georgia. A small station is also maintained by the Government at Fox Bay on the West Falkland for inter-insular communication. There are no submarine cables in operation. Telegraph charges to the United Kingdom are 1*s.* a word via Bergen and 4*s.* 2*d.* a word via Montevideo. The postal rate of 1*d.* per ounce for letters to the United Kingdom still remains in force. It is noteworthy to remark that even throughout the Great War this rate was not increased.

There are no railways in the Colony and no roads outside the town of Stanley. Internal communication is carried out almost entirely by horse or by boat, but recent experiments with caterpillar cars have revealed interesting prospects of future development, which are being investigated both by the farmers and by the Government. There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use. Many

of the farm settlements maintain their own lines which connect on the East Falkland to the Stanley system and on the West Falkland to the Fox Bay wireless station.

VI.—JUSTICE, POLICE, AND PRISONS.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Chief Justice and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with petty offences. The local Police Force consists of five Constables and a Chief Constable and is stationed entirely at Stanley. The Chief Constable is also gaoler in charge of the gaol in Stanley which accommodates only short sentence prisoners. During 1928 no crime of a capital nature was brought before the Courts and in general the Colony shows a remarkable absence of crimes of violence.

VII.—PUBLIC WORKS.

Expenditure on Public Works in 1928 totalled £24,635 as compared with £19,298 in 1927. The principal public works undertaken were two bridges across the Chartres River on the West Falkland and across the Arroyo Malo River on the East Falkland, the former having a span of 120 feet, and the latter a span of 80 feet with approaches of 60 feet.

Two further bungalows were erected as officials' quarters as well as a new headquarters building for the Falkland Islands Defence Force, and a new police station with central heating for the station, gaol, and Chief Constable's quarters.

The main paddock in the Government House grounds, which is used as a public playing field, was graded and levelled and an up-to-date rifle range with modern butts and target frames was constructed on the south-eastern slope of Sapper Hill at Stanley.

Some two miles of roads in the town of Stanley were improved under the Stanley Improvement Scheme by laying concrete gutters and re-surfacing. Water mains were extended and water from the reservoir was laid on to all Government buildings and residences and also to a number of privately-owned houses. The sanitation of the town generally received special attention.

VIII.—PUBLIC HEALTH.

General.

The year 1928 was remarkable from the point of view of the Medical Department by reason of the visit of Dr. J. Hope Reford, C.M.G., M.D., D.P.H., etc., etc., lately Director of Medical and Sanitary Services in the Protectorate of Uganda, to take temporary charge and to conduct a general survey. The contents of this chapter present in summarised form the findings and recommenda-

tions made in Dr. Reford's comprehensive and valuable report which will serve as a guide for future operations in a health campaign in the Colony.

The general health of the community during the year was on the whole good and no serious epidemics occurred. Apart from the communicable diseases to which reference is made below the outstanding general diseases which came under treatment were chest complaints and local injuries. The prevalence of rheumatism, both acute and chronic, and the relative frequency of appendicitis are also to be noticed. The incidence of appendicitis during 1928 was lower than that recorded for the two previous years. Fifteen cases, however, came under observation and this must be regarded as a high incidence for a population of about 2,300. Seventeen cases were treated in 1926 and thirty-two cases in 1927. It is difficult to account for so high an incidence of appendicitis in the Colony unless it can be explained by the unusual dietary which is prevalent containing an excess of meat, chiefly mutton, and the deficiency of fruit and wholesome vegetables. Some cases are known to be associated with tubercle and others with threadworm. A contributory cause is the dental condition of the population, which is generally bad and is without doubt responsible both directly and remotely for much ill-health. Increased efforts were made during the year to encourage the local stores to stock apples and other fruits for the benefit of the children and of the community generally, but the praiseworthy response given was handicapped by the difficulty of overseas communication. The defective dental condition obtaining is attributed in part to the deficiency of lime in the soft peaty water, and an attempt to remedy this defect has been made by treating the water in the recently completed Stanley reservoir with fortnightly applications of lime, the results of which appear to be promising, as the Dental Surgeon reports an appreciable hardening already in the children's teeth. Systematic dental inspection and free treatment of the school children have been carried out during the year. Tooth brushes and dentifrice have been issued free by the Government and children and parents have been instructed as to the necessity for the care of the teeth and early treatment. These benefits have been now extended to the children in the camp so far as the Dental Surgeon's tours permit. Eye diseases are rare but errors of refraction are common. During the year a set of test lenses was procured together with a stock of glasses, which have been prescribed and provided for a considerable number of children and adults. The physical health of the Government officials, some ninety in number, has been generally good. No deaths and only one case of invaliding occurred during the year. Most of the officials suffered from the prevalent bronchial affections during the winter months and considerable neurasthenia was in evidence, attributable largely to the severity of the climate and to the consequent difficulty of obtaining healthy outdoor recreation.

Prolonged residence in the Colony with its rigorous climatic conditions and limited social and sporting amenities imposes a severe strain on the health and mental outlook of those among the official community who have not been brought up in the Colony.

Among communicable diseases tuberculosis under various manifestations, chiefly joint affections, cervical and thoracic glands, pleurisy and pulmonary affections, and peritonitis, is undoubtedly widely distributed throughout the Colony. It is not of recent origin and is largely hereditary and aggravated by close inter-marriage. The descendants of consumptive families living in the camp tend to outgrow the disease, but when they migrate to Stanley the balance of resistance becomes upset under the less favourable conditions of living, and the latent trouble is liable to light up. The chief sources of infection in Stanley appear to be from infected persons through inhalation which is favoured by overcrowding and deficient light and ventilation, and from infected cattle through the ingestion of infected milk and meat coming from dairies and slaughterhouses where traffic in diseased cattle and cows is possible, and the predisposing and contributory factors in Stanley are chiefly the climate, being damp and cold, and tending to keep the less robust confined indoors in unhygienic houses, insanitary dwellings deficient in accommodation, ventilation, and construction, the limitation of healthy outdoor recreation, and in certain cases alcoholism. Nineteen cases of tubercular infection came under observation at the hospital during the year apart from others visited outside. Out of one hundred and forty children inspected at the Government School six showed manifestations of the disease. Bronchial catarrh, bronchitis, and bronco-pneumonia were commonly prevalent, particularly during the severe winter months, and numerous cases of septic throats occurred, as in previous years. The aetiology of this disease is unknown and offers an interesting field for investigation.

It is a high testimony to the efficacy of the quarantine service that the Falkland Islands continue to enjoy an absolute immunity from smallpox and plague, although either disease might easily be imported from the neighbouring ports of South America by shipping. Rats which have been very numerous were to a large extent exterminated during the year under an organised campaign, and energetic steps were undertaken with satisfactory results to enforce the provisions of the Vaccination Ordinance. Cholera is precluded by the climatic conditions and Yellow Fever by the absence of mosquitos. No danger from influenza occurred during the year although precautionary measures were kept in readiness for instant application in cases of emergency. Malaria and other insect-borne diseases are unknown in the Colony. No cases of scarlatina, measles, diphtheria, chickenpox, or German measles occured during the year. Venereal diseases fortunately are absent. A few cases have been treated from the ships calling at Stanley under rigid precautionary measures to preclude any chance of conveyance.

Vital Statistics.

Practically all the permanent residents of the Colony as well as the Government officials are Europeans or of European descent. The estimated population based on the figures of the last census vote in 1921 was 2,313 at the end of 1928, of whom approximately 1,000 live in Stanley. During the year under review 62 births, 34 deaths and 4 deaths of infants under twelve months are recorded giving the following rates :—

Population	2,313
Birth rate	26.80 per 1,000
Death rate	14.70 per 1,000
Infantile mortality rate	64.50 per 1,000 births.

Hygiene and Sanitation.

The usual sanitary service was satisfactorily conducted throughout the year and it is encouraging to notice that advantage was taken in many cases of the new water and drainage systems to install water-closets in replacement of the existing pail system. A further extension of these systems and of surfaced roads with sidewalks would be of inestimable benefit to the health of the community and is engaging the attention of the authorities so far as is permitted by ways and means, as also is the inauguration of a public scavenging system instead of the present arrangement by which the individual householder is himself responsible for the disposal of ashes and garbage. Bye-laws were passed during the year providing for the proper control of slaughterhouses and of dairies and should prove in practicable operation of great value in safeguarding the food supply of Stanley.

By far the most important problem, however, demanding solution from the aspect of hygiene is the shortage of housing accommodation in Stanley. This problem is twofold, the over-crowding of houses fit for habitation and the replacement of houses unfit for human occupation. A beginning was made in 1928 towards the solution of the problem by the appointment of a sub-committee of the Board of Health with the duty of holding a house-to-house survey and of amassing detailed information. A scheme has been started, moreover, by the Government for the grant of loans to assist building by private enterprise, and plans for the construction of houses by the Government for re-sale on the hire-purchase system were under earnest consideration.

Systematic inspections of the children attending the Government School were carried out during the year by the medical and dental officers and arrangements have been made for similar inspections to be held in future at the St. Mary's Catholic Mission School. The results of the 1928 inspections were on the whole satisfactory. The children generally were clean, well nourished, and well clothed. The

hostel run in conjunction with the Government School was found to be clean and well kept and to have ample accommodation for the boarders.

The King Edward VII Memorial Hospital, Stanley, was built in 1914 and is maintained by the Government. It has three general and two private wards with twelve beds, and an out-patient department and dispensary. Ninety-three in-patients were admitted during the year of whom ninety-one were cured, ten relieved, and two died. Sixty-six operations on in-patients and out-patients were performed of which fourteen were major operations, all with satisfactory results. The recorded number of out-patients was 331, the total attendance approximating 1,500. Many patients were treated at their homes, a number of whom were visited by the nursing staff. Considerable renovations and additions to the hospital were made during the year, including the re-conditioning of the operating theatre, the lining and re-conditioning of two nurses' rooms and two private wards, and the provision of a new store and of a lavatory and water-closet for maternity patients.

The prison was regularly inspected and was found clean and well kept. No mental hospital is maintained in the Colony and there were no lunatics under supervision during the year.

IX.—EDUCATION.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management; provision is also made in these schools for attendance at a continuation class for a two years' course of more advanced study. The children in the country districts are taught by travelling teachers, four of whom were provided during 1928 by the Government and one by the Falkland Islands Company, which corporation maintained in addition a resident teacher at its headquarters station at Darwin.

The number of children under instruction during the year is shown in the following table :—

	Boys.	*Girls.*	*Total.*
At the Government School	105	73	178
At the Roman Catholic School	19	40	59
By the Government Travelling Teachers ...	51	34	85
By the Falkland Island Company's Teachers	38	24	62
	213	171	384

The attendance at the Government School in Stanley was again good, averaging 93 and 92 per cent. for the first and last quarters and 88 per cent. throughout the year. For the second year in succession it was not necessary in spite of a hard winter to close the school on account of illness and the regular curriculum was carried out free of interruption.

The number of boarders at the Hostel maintained by the Government in Stanley in connection with the School for the benefit of children from the country districts was eleven in 1928 as in 1927. It is a matter for regret that the facilities offered by the Hostel have yet to be appreciated by parents in the outlying parts of the Colony and the question of their continuance is one for serious consideration. Eight other children from the "Camp" received monthly grants towards the cost of their board in Stanley in private houses for the purpose of attending the school. The problem of the education of "Camp" children is still far from a satisfactory solution and further measures were again under consideration during the year to remedy the situation, including the actual provision of two additional travelling teachers on the West Falkland.

X.—LANDS AND SURVEY.

Practically the entire lands of the Colony are given over to sheep-farming and are in the possession of private persons who for the most part enjoy a freehold either absolute or under purchase from the Government by annual instalments. Certain areas reserved by the Crown are leased on short tenure for a like purpose. No waste lands are available for occupation or development and lands of any description are difficult to acquire and then only by special treaty. The Colony has never been surveyed in any detail, and the charts of its coasts are somewhat antiquated although they cannot be termed inadequate.

XI.—LABOUR.

The supply of labour in 1928 as in 1927 was approximately equal to the demand and little or no unemployment occurred. As in the years immediately preceding, wages on the farm stations ranged from £5 to £8 a month with quarters, fuel, meat, and milk found. Labourers in Stanley were paid from £10 a month, or 1*s.* 2*d.* an hour, and artisans from £10 to £20 a month, or 1*s.* 4½*d.* an hour. Wages of domestic servants varied from £2 10*s.* 0*d.* to £4 a month with all found. The eight hours day for labourers in Stanley was introduced on the 1st of April, 1928.

XII.—MISCELLANEOUS.

The principal event to be recorded under this heading in 1928 is the despatch of a team of four marksmen to compete at Bisley in the name of the Colony for the Junior Kolapore Cup. Under the personal captaincy of the Governor, His Excellency Arnold Hodson, C.M.G., the team on its first appearance at Imperial Headquarters put up a very creditable showing and took actually fourth place in the competition. It is hoped in future years to arrange for the Colony to be represented regularly at Bisley and to this end it is proposed to hold annual meetings, on the lines generally of the

Bisley meetings, at Stanley in the summer of each year. The first of these meetings was held in March of the past year and by the favour of delightful weather conditions proved an unqualified success. The chief item on the programme, the Governor's Cup, was won by His Excellency himself, and throughout the meeting the standard of marksmanship attained was encouragingly high. In this connection it is opportune to notice the large access during the year of volunteer recruits to the Falkland Islands Defence Force, the strength of which body now approximates to two hundred and fifty of all ranks.

Progress was made during the year with the organisation in Stanley of units of the Boy Scouts and Girl Guides movements, with attached Cubs and Brownies, and much devoted work has been done by those ladies and gentlemen who have given of their labour and their time to these causes.

The year has seen too a marked increase in the sporting activities of the Colony. The golf club at Stanley has been revived and is flourishing ; a boxing club has come into being ; and a ladies' hockey club has been formed and anxiously awaits the visits of prospective opponents. The school-children, moreover, are taking to games such as rugby football and hockey, which now form part of the regular curriculum of the Government School, with an aptitude hitherto latent.

The *Penguin*, a daily newspaper, and the most southerly of its species in the world, which was established in 1927 and is produced at Stanley under the auspices of the Government of the Colony, consolidated its position on a firm footing in 1928 and now enjoys a regular circulation of more than two hundred copies, of which a fair proportion find their way to foreign countries.

The Stanley Fire Brigade was re-organised during the year and new fire-fighting appliances in the form of a petrol driven trailer fire pump and a " Foamite " engine were obtained in replacement of the old and previously condemned steam engine.

Apart from certain Ordinances to bring local practice into line with Imperial practice in matters such as shipping, aliens' naturalization, and the protection of Trade Marks and Registered Designs, no Ordinance of general interest was enacted during the year. Among the Ordinances of purely local import the most noteworthy, perhaps, was No. 7, entitled " An Ordinance to amend the law relating to the levying of rates on house property in the town of Stanley," which provides for an alteration in the method hitherto obtaining of fixing the annual assessment of the rates leviable.

From the point of view of climate the year 1928 was somewhat severe. The winter was cold with three heavy falls of snow and considerable periods of hard frost, while a good spring was followed by a wet and sunless summer. The rainfall for the year was 21.92 inches, of which 3.74 inches fell during December at midsummer. Rain or snow or sleet fell on 260 days in the year, and on 11 days

only was a clear sky recorded. The mean temperature for the year was 44.8° F. and the maximum and minimum temperatures registered were, respectively, 66° F. on the 5th of January, and 17° F. on the 26th of June. The mean force of the wind throughout the year was 4.0°, and on 199 days in the year a force of from 4° to 7° was recorded. The highest force recorded in 1928 was 11 degrees in August. The prevailing winds were westerly and north-westerly.

PART II.

THE DEPENDENCIES.

History and Geography.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on the 7th of December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers were reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–21 and 1821–22 by no fewer than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–24 these animals were almost extinct.

The area of the Dependencies covers 3,100,000 square miles or 1½ per cent. of the entire surface of the globe and one-fifth approximately of the total area of the British Empire. Much of it is ice-bound but there are more than a million square miles of sea readily accessible for whaling, fishing, and sealing.

The Island of South Georgia lies about 800 miles to the east of the Falkland Islands in latitude 54½° South, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland

Islands. The South Georgia with the South Orkneys and South Sandwich group of dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and the fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. Both territories extend to the South Pole. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,000 square miles and is about 100 miles in length with a maximum breadth of 20 miles and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island where the snow melts in the summer. There are no indigenous quadrupeds other than seals, but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard, and the Weddell's seal frequent its coasts. The shore has been indifferently chartered, but a survey party is at present operating in the Dependency under the direction of the " Discovery " expedition. There are some good harbours which serve as bases for the whaling enterprises.

I.—GENERAL.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilised mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A Resident Magistrate and official staff is maintained at South Georgia, and control over whaling operations in the other dependencies is carried out by representatives of the Government who accompany the expeditions.

At South Georgia, which is devoted solely to the whaling industry, five land stations have been established and are occupied throughout the year. A land station has also been erected at Deception Island in the South Shetlands the personnel of which arrives and returns annually with the whaling fleet. In the Dependencies other than South Georgia, however, the harbours are ice-bound for seven or more months in the year and the work of boiling down is done on board floating factories, except for the land station at Deception Island, access to which is normally possible from November onwards.

At Laurie Island in the South Orkneys the Argentine Government continued to maintain the meteorological station established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and transferred by him in 1904. The Argentine Government has subsequently erected a wireless station for use in conjunction with the meteorological station.

In November of the past year Captain Sir Hubert Wilkins, in command of the Wilkins-Hearst Antarctic Expedition, proceeded by whaling factory to the South Shetlands via Stanley with two aeroplanes and established his base at Deception Island, starting from which in December with Lieutenant L. Ben Eielsen as his pilot he flew south some 650 miles and made safely a non-stop return. He has recorded certain observations during this flight of primary importance and first and foremost has discovered that Graham's Land does not form part, as previously supposed, of the main Antarctic Continent, but is composed of two large islands and a number of smaller islands, the actual edge of the continent lying at the furthest point reached, about 650 miles south of Deception Island. To Captain Sir Hubert Wilkins' credit thus stands the dual achievement of having made the first flight in the Antarctic and having advanced considerably man's knowledge of these dim regions.

The "Discovery" Expedition which is conducting research, mainly, into whaling, in the waters of the Colony and of the Dependencies continued its operations during the year with the R.S.S. *William Scoresby* at the Marine Station at South Georgia. Information regarding the work of the station is given in the Annual Reports of the "Discovery" investigations of which two have already been published.

In the administration the outstanding event to be recorded is the appointment to the vacant office of Magistrate, South Georgia, of Mr. W. Barlas, Deputy Magistrate.

II.—FINANCE.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1928 to £194,153. The local expenditure was £122,102, leaving a surplus of £72,051 which, in accordance with the provisions of Ordinance No. 6 of 1924, was transferred to the Research and Development Fund.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years.:—

	Revenue.	*Expenditure.*
	£	£
1924	131,676	27,711
1925	180,098	77,928
1926	221,595	100,325
1927	206,059	111,306
1928	194,153	122,102

The total amount of the surplus assets standing to the credit of the Research and Development Fund at the 31st of December, 1928, was £478,978. There is no public debt.

The legal tender currency is British sterling and Falkland Islands notes.

No banking facilities exist. The bulk of the payments, including the export duty on whale oil, is made by drafts on which a remittance rate of 1 per cent. is charged.

III.—PRODUCTION.

Apart from sealing on a small scale at South Georgia, whaling is the only industry in the Dependencies and whale oil and by-products of the whale, such as guano, their sole produce. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season from the 1st March to the 31st of October.

During the season 1927–1928 the price of whale oil was approximately £30 a ton and the export duty payable was fixed at the rate of 2*s*. a barrel or 12*s*. a ton; the export duty on guano is fixed at the rate of 1½*d*. per 100 lb.

The season 1927–1928 at South Georgia was good although the returns show a falling off as compared with those for the previous season, due to the scarcity of whales which began about the middle of the month of January and lasted until the end of the season. This scarcity is attributed in turn to the late break-up of the Antarctic ice-pack and to excessive fishing.

The season's working at the South Shetlands constituted a record, 5,533 whales, yielding 397,729 barrels of oil, being taken as against 4,838 whales, yielding 270,301 barrels of oil, in the 1926–1927 season. It is estimated that at the least 70 per cent. of the catch and production of the South Shetlands whaling fleet were made in the open sea along the edge of the ice-pack, and it should be observed in this connection that these "pelagic" operations were conducted largely outside the limits of the South Shetlands area proper as far to the eastward as to the east of South Georgia and the South Sandwich Islands.

The operations undertaken at the South Orkney Islands were again good, being approximately the same in result as those of the previous season, which were the best on record. For the first season for some years a floating factory expedition operated at the South Sandwich Islands with results of a fully satisfactory nature.

A feature worthy of remark in regard to the working of the season as a whole is the increased quantity of oil produced on the average per whale. This is encouraging as indicating the real endeavours made by the licensed companies to improve their boiling-down plant and thus by total utilization of the carcass to obviate waste. In particular the increase in production per "standard" whale (the blue or largest species of whale being taken as the basis of comparative assessment) is to be noted at South Georgia, from 93.17 barrels of oil in the 1926–27 season to 100.69 barrels of oil in the

1927–28 season, and at the South Shetlands, from 79.57 barrels to 89.92 barrels. The corresponding figures for the South Orkneys and the South Sandwich are, respectively, 95.60 and 94.10 barrels.

The following table in which the price of whale oil is put at the lowest figure reached in 1927–28, namely, £28 a ton, gives the size and value of the catch during the past five seasons :—

Season.	*Actual Whales killed.*	*Barrels of oil produced.*	*Average Number of barrels per whale.*	*Value.* £
1923–24 ...	6,737	427,321	63·43	2,492,700
1924–25 ...	10,057	661,998	66·10	3,640,989
1925–26 ...	13,188	723,831	54·88	4,101,709
1926–27 ...	10,631	729,891	68·56	3,158,431
1927–28 ...	10,220	787,826	77·08	3,686,521

The production of guano was well maintained. The number of bags manufactured at South Georgia during the 1927–28 season was 168,916 to an estimated value of £168,916, as against 207,992 bags during the 1926–27 season, and 23,100 bags were manufactured in addition at the land station on Deception Island.

Sealing operations in 1928 yielded 8,768 barrels of oil as compared with 10,038 barrels of oil in 1927 and 8,094 in 1926. The average quantity of oil produced from each seal was 1.8 barrels or, in other words, rather more than three seals went to the ton. The value of seal oil is slightly higher than that of whale oil.

IV.—TRADE AND ECONOMICS.

The value of the total trade of the Dependencies in 1928 was £4,364,814, of which £436,019 represented imports and £3,928,795 exports. Of the imports coal, coke, and oil fuel accounted for £248,042, hardware and machinery £71,469, provisions £46,018 and canvas, rope, etc., £16,359. The exports of whale and seal oil amounted to £3,763,149, and of guano and bone meal to £163,994.

The following table gives the comparative value of the trade of the Dependencies during the past five years :—

	Imports. £	*Exports.* £	*Total.* £
1924	320,448	2,318,536	2,638,984
1925	372,740	3,585,110	3,957,850
1926	530,017	4,160,743	4,690,760
1927	537,060	3,877,565	4,414,625
1928	436,019	3,763,149	4,364,814

Of the imports the bulk of the coal in the usual course is obtained from the United Kingdom, and of the machinery, equipment, and provisions from Norway. The exports of whale and seal oil and guano are sold on the European market in large measure to Norway, Holland, and Germany but the consumption in the United Kingdom is not inconsiderable. The firm of Lever Brothers of Port Sunlight owns the Southern Whaling and Sealing Company, which operates

from a land station in South Georgia and with a floating factory expedition at the South Shetlands, and utilizes the produce for the purpose of its manufactures. The South Georgia Company, which operates similarly from a land station and with a floating factory is also British, owned by Messrs. Salvesens of Leith ; and British capital has acquired recently further large interests in the Anglo-Norse and Hektor Whaling Companies.

V.—COMMUNICATIONS.

As noticed in a previous chapter of this Report communication of a regular nature more or less between South Georgia and Stanley and once a year between the South Shetlands and Stanley is maintained by the s.s. *Fleurus* of the Tonsberg Whaling Company running under contract to the Government.

During the whaling season direct sailings between Europe and South Georgia in either direction are not infrequent and there is a fairly reliable service between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca* of the Compania Argentina de Pesca. The vessels of the South Shetlands whaling fleet call, some at Stanley and some at South Georgia, on the way down to the fishing grounds in October and November and on the return voyage in April and May.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken which is in regular communication with Stanley and also on short-wave with Bergen in Norway. The Argentine Government is permitted to maintain a wireless station for use in connection with the meteorological station on Laurie Island in the South Orkneys. There are no railways or roads in the Dependencies. Grytviken and Port Foster at Deception Island in the South Shetlands are the only ports of entry in the Dependencies.

The table below shows the number of vessels which entered at South Georgia during 1928 :—

Nationality.	*Steamships.*	*Sailing-vessels.*	*Tonnage.*
British	20	—	50,303
Argentine	3	3	8,532
Norway	48	—	72,924
Peru	1	—	3,928
	72	3	135,687

which total figures compare as follows with those for 1927 :—steamships 46, sailing vessels 3, and tonnage 97,930. The large increase again recorded in the case of steamships is again due

principally to the fact that twenty-two more such vessels of Norwegian register belonging to the whaling fleet called at South Georgia during the year under review than in the previous year. There was an increase also of seven steamships of British register.

VI.—JUSTICE, POLICE, AND PRISONS.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to the Dependencies. During 1928 no case of serious crime came before the Courts. Despite the trying conditions the personnel of the whaling industry forms a most peaceful and law-abiding community calling seldom, if ever, for the intervention of the civil authorities, a fact which itself speaks highly of the discipline maintained by the managers of the several stations.

VII.—PUBLIC WORKS.

No public works of any magnitude or importance were carried out by the Government during 1928. The Compania Argentina de Pesca completed and opened for use the floating dock at Grytviken which has been constructed privately by their enterprise and promises to be of great benefit to the entire whaling industry.

VIII.—PUBLIC HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness with occasional out-breaks of beri-beri is caused by the lack of fresh foodstuffs but the climate of South Georgia although rigorous is undoubtedly healthy. No medical officer is maintained by the Government in the Dependencies but the whaling companies have their own doctors and at South Georgia well equipped hospitals. There is also an efficient hospital at Deception Island which is kept in commission during the season by the Hektor Whaling Company.

The population of South Georgia fluctuates with the seasons of the whaling industry. During the summer it approximates to 1,500, practically all males, and during the winter to one-third of that number. The British inhabitants of South Georgia do not exceed one hundred, and the remainder are almost exclusively Norwegians or of Scandinavian origin. There were no births and nine deaths reported in the Dependencies during 1928.

IX.—EDUCATION.

There are no children in the Dependencies and the problem of education does not therefore arise.

X.—LANDS AND SURVEY.

All the land in the Dependencies is owned by the Government. At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of twenty-one years at annual rentals of £250; some of these leases have been temporarily renewed. There are also five unoccupied leaseholds upon which rental is paid. Land stations have been similarly established at Deception Island in the South Shetlands and on Signy Island in the South Orkneys.

The mineral potentialities of South Georgia have yet to be determined and no attempt has been made hitherto to exploit them. No detailed survey of the lands has been undertaken and the charts of the coasts are of necessity very incomplete. Much information has been obtained, however, by the vessels of the whaling fleet and the *Discovery* expedition has at the present time a survey party engaged on detailed work in the harbours of South Georgia.

XI.—LABOUR.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms from Norway. The bonus system on production is generally in vogue, the wages of an ordinary labourer ranging from £10 to £15 a month with all found. The personnel of the several stations and expeditions for the most part arrive and depart with the whaling fleet at the beginning and the end of each whaling season. No labour troubles requiring the intervention of the Government occurred during the year under review.

XII.—MISCELLANEOUS.

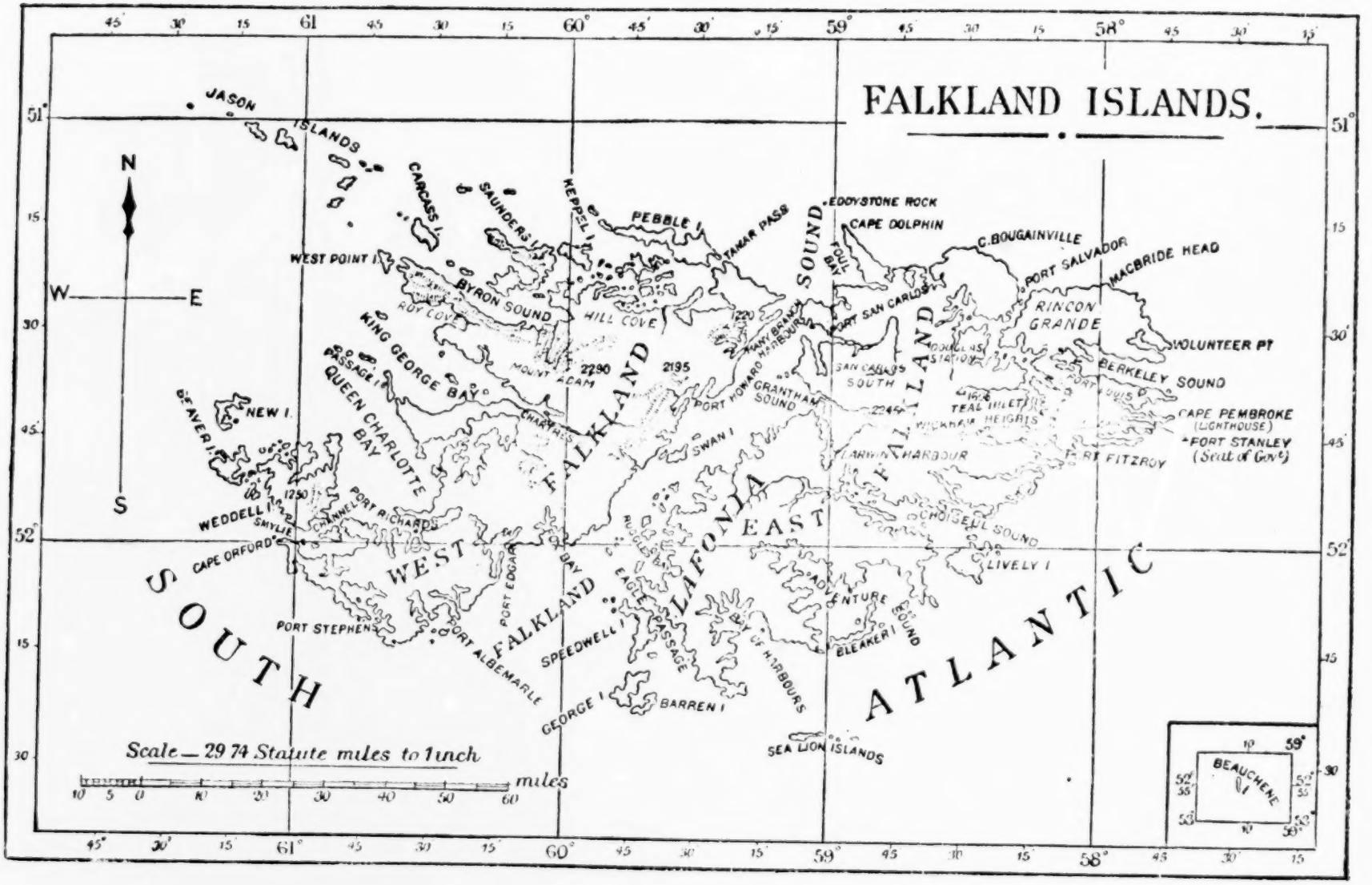
The 1927–1928 whaling season like its predecessor was remarkable for the severe ice conditions which prevailed and for further development of pelagic, or high-seas, fishing along the edge of the ice-pack which has now become the general practice. The whale-catcher *Scapa*, belonging to Messrs Salvesen's *Saragossa* floating factory expedition, capsized and sank early in the year under review while undergoing water-line repairs off the ice-pack in the vicinity of Laurie Island in the South Orkneys, otherwise no serious accident is to be recorded, although many of the vessels engaged in and connected with the whaling operations were the victims of minor mishaps, including the R.S.S. *William Scoresby*, which struck a rock at the entrance of Stromness Bay in South Georgia, happily without grave consequences.

The first South Georgia or Antarctic Sports Meeting was held at Grytviken in February at the instigation and under the patronage of the Governor who was personally present for the occasion. The meeting was a pronounced success and the expectation is that it will become an annual event.

His Excellency also held a memorial service about this same date at the grave of the late Sir Ernest Shackleton near Grytviken, South Georgia, and unveiled the stone erected to the distinguished explorer's memory.

J. M. ELLIS,
Colonial Secretary.

COLONIAL SECRETARY'S OFFICE,
STANLEY, FALKLAND ISLANDS.
3rd May, 1929.



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Annual Report on the Colony of the Falkland Islands and its Dependencies for the Year 1929.

TABLE OF CONTENTS.

	Colony. Page	*Dependencies Page*
Prefatory Note—History and Geography ...	2	21
I. General	5	22
II. Finance	6	23
III. Production	8	23
IV. Trade and Economics	9	24
V. Communications	12	25
VI. Justice, Police and Prisons	13	26
VII. Public Works	13	26
VIII. Public Health	14	26
IX. Education	17	27
X. Lands and Survey	18	27
XI. Labour	19	27
XII. Miscellaneous	19	27
Map.		

PART I.

THE COLONY.

PREFATORY NOTE.

History and Geography.

The Falkland Islands, called by the French Isles Malouines and by the Spaniards Islas Malvinas, were discovered on the 14th August, 1592, by John Davis in the " Desire," one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the " Dainty " on the 2nd of February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the " Welfare " sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and of fresh water, the Falkland

Sound in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the Southern Seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlement early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new Colony at Port Louis in 1829. Vernet saw fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833 Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844 when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On the 8th of December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on the 26th of February, 1927.

The Colony is constituted as a Crown Colony with a Government of the usual type, having at its head a Governor and Commander-in-Chief, who is advised by an Executive Council consisting of

three official and one unofficial members. The Legislative Council is composed of four official and three unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880 and a special grant for a mail service until 1885, since which date it has been wholly self-supporting.

The population of the Colony is almost exclusively of British descent and the only language spoken is English, although a certain number of Spanish terms are in common use in the sheep-farming industry relating principally to horse management and to topographical description. The monetary units and also the units of weights and measures are the same as in the United Kingdom and Imperial gold, silver, and copper coinage is alone in circulation. The Colony issues its own currency notes, but Imperial currency notes are without distinction legal tender.

Geographically the Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan, between 51° and 53° S. latitude and 57° and 62° W. longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collections of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in a few places oats and hay are grown. The soil is chiefly peat but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has

about a thousand inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterised by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is to the south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting 24 hours.

In the rigour of its climate and prevailing high winds the Colony has a valuable protection against the introduction and spread of disease. On the other hand, the weather is trying to a degree that is harmful to good health, by reason of its depressing nature and the indoor confinement it imposes. In contrast to this gloomy fare, no climate in the world can surpass in geniality the bright, calm weather sometimes experienced, when the clearness of the atmosphere is astonishing. Occasionally, in summer, marvellous sunsets and afterglows are seen.

I.—GENERAL.

Sheep-farming, which has for many years been the sole industry of the Falkland Islands, still remains the only industry of importance, it being as yet too early to predict with any degree of certainty the eventual outcome of the undertaking recently launched with local capital for the exploitation of the extensive seal herds in the islands. There is, however, good reason to believe that the foundation of a profitable secondary industry has been laid. On the large sheep stations into which the country is divided the production of wool is the chief, and in fact the only, consideration. On several farms large herds of cattle are still run, more with the object of consolidating the soft peaty soil than for their value as stock.

Owing to the Colony's limited resources, no foodstuffs are produced in marketable quantities, with the exception of beef and

mutton. In consequence, the community is almost entirely dependent on oversea importations for provisions, and the cost of living is accordingly high, averaging some 20 per cent. more than in the United Kingdom. In the country, where garden and dairy produce are at most times obtainable, it is more moderate than in the town, but, generally speaking, high prices can only be avoided by adherence to a diet strictly limited in variety. It is very difficult to rent a house in Stanley, but for the occasional visitor there are several boarding houses which offer a reasonable degree of comfort and convenience. No hotels, however, exist in the accepted sense of the term. As the result of the encouragement given by the Government to house building by the grant of loans on easy terms of repayment, a large number of new houses have been erected, chiefly in the outlying localities of the town. It is a matter of relief that the housing problem in Stanley, which has for many years been a source of anxiety to the Administration, has by this means now definitely been solved.

The policy of the Administration has of late been directed principally towards the improvement of the conditions of living in the Colony, which owing to its isolation and lack of opportunity for natural growth, have always been backward and, in some respects, primitive. Measures have also been required for the preservation of the public health which has for some time past shown signs of falling away. It is satisfactory that much towards this end has been accomplished, by the reorganization of the medical service, by the continued improvement of the sanitation of Stanley, and, lastly, by the better facilities provided for recreation and a brighter social outlook for the people. In emphasizing the need for continued effort in this direction, His Excellency, in his speech to the Legislative Council on the 11th of October, said that the Government broadcasting service and the daily news-sheet *Penguin* had done more to break down the isolation of the Colony than anything else could have done.

II.—FINANCIAL.

Revenue.

The revenue of the Colony for the year 1929 from all sources was £73,599, the revenue from normal sources being £66,650, as compared with £51,011 in the previous year.

The increase is attributable mainly to the enhanced receipts from the sale of postage stamps, the demand for the Colony's new pictorial issue, referred to later in this report, alone accounting for no less than £6,380. Customs duties yielded £1,809 more than in 1928, due principally to a revision of the import tariff early in October under Ordinance No. 7 of 1929 and the duty collected on shipments of oil exported for the first time by the recently-formed Falkland Islands Sealing Company.

The amount derived from taxation during the year was £18,901, as against £16,156 in 1928. Of this sum approximately 42 per cent. was contributed by the sheep-farming industry, the remainder being collected from the community generally.

Expenditure.

The total expenditure on recurrent services in 1929 was £46,000, or less by £20,649 than the total ordinary revenue. Of this surplus, £13,041 was expended on extraordinary works and purchases for the improvement of the Government service and the benefit of the community generally, leaving a balance of £7,608 to be added to the accumulated funds of the Colony. No sums were expended from the Land Sales Fund or the Marine Insurance Fund which, on the other hand, were augmented by £6,843 and £106 respectively.

Compared with 1928, the ordinary expenditure showed a decrease of £9,329. This substantial saving was attributable to economies effected in certain departments by the re-allocation of duties, the retrenchment of services which through course of time had become redundant, and by the cutting down of all unnecessary expenditure. It is anticipated that the more general application of this policy will result in still further savings.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		Expenditure.	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1925	49,783	57,511	37,066	58,000
1926	51,812	58,762	36,577	48,099
1927	50,318	62,069	38,764	50,814
1928	51,011	73,957	55,329	68,903
1929	66,650	73,599	46,000	59,041

Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1929, amounted to £256,407. The following statement shows the balances at the beginning and the end of the year :—

	1st January.	*31st December.*
	£	£
Land Sales Fund	215,602	222,445
Marine Insurance Fund ...	2,742	2,848
General Account	23,505	31,114
	£241,849	£256,407

Currency and Banking.

The legal tender currency is British sterling and a paper currency of 5s., 10s., £1, and £5 notes issued by the Colonial Government under an Order in Council, dated the 7th of March, 1899. It is

estimated that on the 31st of December, 1929, there was £3,000 of specie in circulation. During the year the note issue stood at £24,000, the coin portion of the Note Guarantee Fund being fixed at one-third of that amount under a Proclamation by the Governor, dated the 15th of March, 1929. The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1929, the total sum deposited was £145,793 and the number of deposit accounts 968 as against 955 on the 30th of September, 1928. Remittances for the credit of any person or firm in the Colony can be made through the Crown Agents for the Colonies, the charge for this service being at the rate of 1 per cent.

General.

The year 1929 was eminently satisfactory financially, the revenue collected from normal sources being the highest yet recorded. On the other hand, the expenditure was kept well within the limits of the estimates, the only excesses, with the exception of extraordinary disbursements on public works, being incurred by the Treasury and Customs Department, the Medical Department, and Miscellaneous Services, amounting in all to £1,450, as against a total saving under other heads of £2,954. The Colony's investments in approved securities, on which approximately one-quarter of the revenue depends, were increased by £36,472 to a total on the 31st of December of £386,448. Of this sum £167,916 was held on behalf of the Savings Bank and the Currency Note Fund, the balance of £218,532 representing the investment of monies derived from the sale of land. There is no public debt. During the year the financial position of the Colony was subjected to careful scrutiny with a view to its stabilization on a permanently satisfactory basis.

III.—PRODUCTION.

Wool.

No statistics are kept of the actual quantities of wool produced in any one year, as distinct from the quantities exported, but it may be gathered from the export statistics in Section IV of this report that the production for the five years ended on the 31st of December, 1929, averaged just under four million lb. annually, as compared with over four and a quarter million lb. for the previous quinquennial period. It should be borne in mind that, while this tendency towards reduced production is due in part to the depleted state of the pastures, it is also in part attributable to the steps taken by the landowners to conserve the productive value of their farms by reducing the number of sheep carried to the level the land can most economically support. It is encouraging to note

that the policy of importing pedigree stock is being attended with good results. Recent importations have had a marked effect on both the quality and quantity of the wool.

All the wool is exported in the grease, the entire clip being marketed in the United Kingdom. Though prices in 1929 were not of the same high level as in 1928, the sales throughout the year realised the fair average price of 1s. 2d. per lb. On the whole, the year under review was favourable to the industry. Despite adverse weather during the lambing season, the average percentage throughout the Colony was well maintained. The general health of the flocks was good, no disease of a serious nature occurring.

Seal Oil.

The operations of the Falkland Islands Sealing Company are at present confined to the production of oil from hair seal. In 1929 approximately 550 tons of oil were produced, making the total production since the commencement of operations in 1928. 700 tons. Of this quantity, approximately 450 tons was exported and sold in the United Kingdom at £27 a ton. During the year a land factory was erected at Albemarle, on the West Falkland Island, replacing the floating factory at first employed. The outlook for the Company continues to be hopeful.

Apart from the commodities above described, the Colony has no resources of known commercial value. Agriculture can hardly be said to exist, the only tillage being found around some of the settlements where small fields of forage crops are grown. It is encouraging to note that the acreage under cultivation is increasing. There are no forests and no fisheries, while mineral deposits suitable for working have yet to be discovered.

IV.—TRADE AND ECONOMICS.

The aggregate value of trade for the year was £430,018 as against £443,379 for the previous year. Imports showed an increase of £14,080 and exports a decrease of £27,441.

The following table shows under the principal heads the respective values for the past five years :—

Imports.	*1925.*	*1926.*	*1927.*	*1928.*	*1929.*
	£	£	£	£	£
Food, Drink, and Tobacco...	49,114	62,895	70,302	45,668	43,850
Raw Materials and Articles mainly manufactured.	14,257	16,436	28,056	22,289	17,944
Articles wholly or mainly manufactured.	82,459	92,686	75,240	74,338	95,281
Live Stock	15,251	7,212	715	2,973	4,073
Bullion and Specie	25	—	25	1,900	—
Total Imports	£161,106	179,229	174,338	147,068	161,148

Exports.	*1925.*	*1926.*	*1927.*	*1928.*	*1929.*
	£	£	£	£	£
Wool	307,740	214,290	236,028	280,770	236,992*
Hides and Skins	14,677	20,094	10,713	13,332	13,029
Tallow	2,450	2,564	860	1,016	1,529
Live Stock	4,451	1,480	—	600	—
Seal Oil	—	600	—	—	16,423
Hair Seal Skins	—	—	—	—	154
Other Articles	1,047	930	332	593	743
Total Exports	£330,365	239,958	247,933	296,311	268,870

Imports.

As has previously been stated, the Colony is almost entirely dependent on importation from abroad for its food-stuffs and materials. The principal articles imported in 1929 were :—

	Value.
	£
Hardware and Machinery	46,320
Groceries	24,197
Timber	16,367
Drapery and Wearing Apparel	14,559

Imports of hardware and machinery show an increase of £19,683 and of timber £8,897 over the respective figures for the previous year, owing, in the case of hardware and machinery, to the materials imported by the Falkland Islands Company for the erection of a floating dock in Stanley Harbour and, in the case of timber, to the extensive house-building carried on during the year.

Approximately 85.5 per cent. of the total imports came from the United Kingdom and other parts of the British Empire, as compared with 84.8 per cent. in 1928. The countries of origin were as follows :—

	£
United Kingdom	137,703
New Zealand	672
Canada	28
Total from British Empire	£138,403

* The decrease in value as compared with 1928 was due to the fall in the price of wool. The actual quantity exported was greater than in 1928, as shown in the comparative table of exports on page 11.

	£
Chile	8,512
Uruguay	8,260
Argentine	3,655
France	774
United States	500
Norway	497
Brazil	289
Denmark	198
Italy	60
Total from foreign countries	£22,745

Exports.

With the exception of exports of inconsiderable value to Uruguay and Norway, the entire export trade was with the United Kingdom. Of the total trade, approximately 87.7 per cent. represented the value of the wool exported and a little over 5 per cent. the value of the other products of the sheep-farming industry, the remainder being accounted for by the seal oil shipped and miscellaneous exports of small value.

The following is a comparative table showing the quantities exported during the past five years :—

	1925.	*1926.*	*1927.*	*1928.*	*1929.*
Wool (*lb.*)	3,361,003	4,377,385	3,972,509	3,929,487	4,068,057
Tallow (*lb*)	216,160	159,040	96,820	144,480	274,400
Hides and Sheepskins (*quantity*).	50,831	71,049	79,300	52,194	57,489
Seal Oil (*barrels*) ...	—	100	—	—	2,657

Customs Duties.

There are no import duties except on spirits, 30s. per gallon, wine, 3s. per gallon in bulk, and beer, 6d. per gallon in bulk, tobacco, 4s. per lb., cigars, 6s. 9d. per lb., and matches, 4s. per gross of boxes. During the year the duty on spirits was raised from 20s. to 30s. a gallon and a small duty on matches added to the tariff. Of the exports, only wool and seal oil are dutiable, the former being taxed at the rate of 1*s.* for every 25 lb. and the latter at the rate of 2s. per barrel of 40 gallons. The total revenue derived from Customs duties was £18,259.

General.

The greater proportion of the trade of the Colony, both import and export, is conducted by the Falkland Islands Company of which the head offices are situated in London. Other firms of lesser standing, principal among which is the Estate Louis Williams, carry on business, mostly importing, in Stanley.

V.—COMMUNICATIONS.

With the exception of whaling vessels on their way to and from the fishing grounds and an occasional freighter, the only ocean-going vessels calling at Stanley are those of the Pacific Steam Navigation Company. Since the opening of the Panama Canal, the calls of the last-mentioned vessels, which formerly provided a monthly service with the United Kingdom, have been infrequent and irregular, and, in consequence, it has for a number of years been necessary to take advantage of such other opportunities for mail and passenger transport as have, from time to time, occurred. The arrangements for steamer communication between Stanley and Monte Video, as occasion requires, to which reference was made in last year's report, have greatly improved the Colony's mail service. In 1929 mails from the United Kingdom and Europe were received in every month with the exception of January, two being received in June, August, and December, making in all fourteen deliveries. Opportunities for the despatch of European mails were even more frequent, a total of seventeen being recorded. In addition to eight calls by cargo vessels of the Pacific Steam Navigation Company, three calls were made by passenger vessels belonging to the same company, two outward, or westward, and one homeward, or eastward, bound. The sea passage to England by passenger steamer occupies approximately twenty-eight days.

During the year, interinsular communication was well maintained, the outlying districts of the Colony being served with practically the same facilities for the receipt and despatch of oversea mails as Stanley. In all, forty-two voyages were made, during the year, between Stanley and places on the East and West Falkland, seven of which were confined to the East island only.

Communications with the Dependency of South Georgia were carried out as in the preceding year by the s.s. " Fleurus " of the Tonsberg Whaling Company, the Government paying a subsidy towards the cost of each voyage performed. The schedule of sailings provides for six voyages between Stanley and Grytviken during the whaling season, i.e., October to May, and for two voyages during the remainder of the year and also for one voyage early in each year between Stanley and Deception Island in the South Shetlands.

The following table shows the number, nationality, and description of the vessels which entered the Colony from overseas in 1929 :—

Nationality.	*Steam Vessels.*	*Tonnage.*	*Sailing Vessels.*	*Tonnage.*
British	21	59,788	4	84
Argentine	—	—	2	1,468
Chile	1	356	—	—
Greece	1	2,841	—	—
Norway	17	12,254	—	—
	40	75,239	6	1,552

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Grytviken in South Georgia. A small station is also maintained by the Government at Fox Bay on the West Falkland for interinsular communication.

There are no submarine cables in operation. Telegraph charges to the United Kingdom are 1*s.* a word via Bergen and 4*s.* 2*d.* a word via Monte Video. The postal rate of 1*d.* per ounce for letters to the United Kingdom still remains in force. It is noteworthy to remark that even throughout the Great War this rate was not increased.

There are no railways in the Colony and at present no roads outside the town of Stanley.* Internal communication is carried out almost entirely by horse or by boat, but recent experiments with caterpillar cars have revealed interesting prospects of future development, which are being investigated both by the farmers and by the Government. There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use. Many of the farmers have their own lines which connect on the East Falkland to the Stanley system, and on the West Falkland to the Fox Bay Wireless Station. Two farm settlements maintain wireless stations of low power for local communication.

VI.—JUSTICE, POLICE AND PRISONS.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with petty offences. The local Police Force consists of four constables and a Chief Constable and is stationed entirely at Stanley. The Chief Constable is also gaoler in charge of the gaol in Stanley which accommodates only short sentence prisoners. During 1929 no crime of a capital nature was brought before the Courts and in general the Colony shows a remarkable absence of crimes of violence.

VII.—PUBLIC WORKS.

The works for the improvement of the road and sanitary condition of Stanley, initiated in 1922 and commenced in 1924, were finally completed in 1929 at a total cost of £38,500. Excellent as these works have proved, they affect only the central portion of the town, leaving the outlying and rapidly growing districts quite untouched. During the year proposals were put forward for the expenditure of a further sum of £20,000, over a period of four years, on the extension of the scheme to localities in which house building has recently been most active.

* During 1929 a commencement was made on the construction of the first road beyond the town boundary. See Section VII, Page 14.

In June work was commenced on the construction of a road between Stanley and the Admiralty Wireless Station, a distance of approximately two and a half miles. This road, which it is estimated will cost £5,800 and take over three years to complete, is the first to be laid down beyond the limits of the town. In addition to the great improvement it will effect to the approach to Stanley along the track from the North Camp, it will provide an alternative source for the supply of peat which, there is reason to believe, will, in the near future, be required.

In the latter part of the year work proceeded rapidly on the installation of an electric light service primarily designed for Government buildings, Government House, the Town Hall, and the King Edward Hospital being the first buildings to be connected. The service has been installed in such a way that its extension to the town, including street lighting, can be expeditiously and economically effected.

During the year materials were purchased and shipped to the Colony for the erection of public baths and a gynasium. It was not possible, however, to commence work on the building before the close of the year.

The buildings completed included three further bungalows erected as officials' quarters and two cottages erected for sale in connection with the measures taken by the Government to relieve the housing shortage in Stanley. In addition to these buildings a pavilion was erected on the rifle range at Sapper Hill.

The expenditure on Public Works in 1929 totalled £24,307, as compared with £24,635 in 1928.

VIII.—PUBLIC HEALTH.

Vital Statistics.

The population of the Falkland Islands is of European and chiefly of British descent in which Scotch blood is marked. The estimated population, based on the figures of the last census in 1921, was 2,375 at the end of 1929 of whom approximately 1,000 live in Stanley. During the year under review 57 births and 14 deaths were recorded, giving the following rates :—

Population	... ...	2,375.
Birth Rate	... ...	24.00 per 1,000.
Death Rate	... ...	5.89 per 1,000.
Infantile mortality rate	... ...	17.50 per 1,000.

General Health.

The general health of the community in 1929 was, on the whole, good. The Colony suffered from no serious epidemic, the only infectious disease being measles in a mild form, which occurred in the southern part of East Falkland Island. On two separate

occasions cases of whooping cough landed in the Colony. These were promptly segregated and the spread of the trouble was prevented. Apart from the prevalence of colds during the trying months of winter, no other cause of general sickness became noticeable. No cases of influenza occurred.

The prevalence of abdominal disorders and tuberculosis to which attention has been drawn in previous reports was again in evidence. Of twenty-one cases of appendicitis treated, two were gangrenous with abscess formation, one appendix contained threadworm and others showed inflammation of long standing. Twenty of these cases underwent operation successfully, one being treated medically. Twelve cases of tubercular infection came under observation, two of which terminated fatally. Three were pulmonary in type, the localisation of the disease in the other cases being in the bone, joints, glands, and peritoneum. The high proportion of such cases suggests that bovine tubercle is playing no small part in their origin.

There is nothing to add to the detailed account of the general state of the public health given in last year's report further than to comment on the remedial measures taken and contemplated. The chief cause for concern is tuberculosis which is undoubtedly much more widely distributed throughout the Colony than has hitherto been suspected. The disease in the islands is not of recent origin; it is largely hereditary and aggravated by close intermarriage and, in Stanley, by bad housing. As the result of the encouragement given by the Government to house building by private enterprise, the people have been able to provide for themselves new and better homes. The houses erected have been planned under the supervision of the Board of Health, ensuring their satisfactory construction and suitability of type. The extension of the Stanley Improvement Scheme, referred to in Section VII of this report, to provide these houses with the same services as regards water and drainage as are now supplied to other parts of the town will be the final step in removing the evils of overcrowding and defective sanitation. The position with regard to the prevalence of appendicitis is one with which it is very difficult to deal. The constitutions of the people have suffered, through several generations, from unsuitable diet and the lack of a pure water supply. As regards the former, efforts have been made from time to time to encourage the regular importation of fresh fruit and vegetables, but with very little success. It is hoped that the improvement in communications recently effected will in some measure afford relief from the injurious diet of bread and mutton on which many of the people are at present obliged almost solely to rely. Under the Slaughterhouse and Meat Inspection Regulations, 1928, slaughterhouses are licensed and as such are under the supervision of the Veterinary Officer and Sanitary

Inspector. The two slaughterhouses supplying the town leave much to be desired and steps are being taken by their owners to replace them by more suitable buildings. It is satisfactory to record that the dental condition of the population, to which is attributable both directly and remotely much ill-health, shows signs of improving, especially in the case of children. Considerable benefit appears to have resulted from the fortnightly application of lime to the water in the Stanley Reservoir, which was continued systematically throughout the year. As in 1928, tooth brushes and dentifrice were issued free by the Government, and children and parents instructed as to the necessity for the care of the teeth and early treatment. There is every reason to hope that much of the trouble will be overcome by persistent efforts on these lines.

During the year health propaganda was vigorously carried on, the local broadcasting service and the news-sheet *Penguin* proving of invaluable assistance in this connexion, as also in the anti-rat campaigns organised by the Government in April and November. That the active co-operation of the people is being enlisted is already evident from their closer observance of the simple rules of hygiene and increasing interest in physical culture. The additional facilities for wholesome recreation that will be provided by the public baths and gymnasium, to which reference has already been made, will do much to encourage habits of health which present conditions render difficult to practise.

The general health of the Government officials was good, the only case of serious illness being that of the Chief Constable, resulting from injury sustained in the course of his employment. The revised leave and passage regulations which provide for the grant of vacation leave after a tour of two and a half years have done much to improve the efficiency of the service.

Port Health.

Forty-six vessels with a registered tonnage of 76,791 tons and with crews totalling 2,119 were given pratique during the year. No quarantinable diseases were reported.

Maternity and Child Welfare.

Fourteen maternity cases were treated in the hospital and nine in the district during the year. All cases were brought to a successful issue. Frequent and systematic inspection of the schools and school children were made by the Medical Officer and the Government Dentist. The results of these inspections were satisfactory, no serious defects being found.

Hospital.

The King Edward VII Memorial Hospital, Stanley, built in 1914, is maintained by the Government. It has two general, one maternity, and two private wards, comprising in all twelve beds. During the year the Hospital was reconditioned and new and up-to-date equipment purchased, including a new X-ray apparatus, an artificial sunlight lamp, and a new operating table for the theatre. In addition, there is an out-patient department and a dispensary. One hundred and seven in-patients were treated during the year, of whom ninety-four were cured, seven relieved, and six not improved. There were no deaths. The recorded number of out-patients treated was 1,173, the total number of attendances being 2,347, as against 331 patients treated and 1,500 attendances in 1928. The increased number of out-patients is due in part to the large proportion of the population vaccinated at the hospital, and to the popularity of the treatment of varicose veins by the injection method. Forty operations, exclusive of dental and out-patient operations, were performed, thirty-five of which were major operations. In all cases the results were satisfactory. The people are good surgical subjects and the cold climate lends itself to the healing of wounds without sepsis of any important degree.

Dr. J. Innes Moir, M.B., Ch.B., D.P.H., was appointed Principal Medical Officer for the Colony on the 4th of February, 1929.

IX.—EDUCATION.

The education of children between the ages of five and 14 years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government School for attendance at a continuation class for a two years' course of more advanced study. A scheme instituted in 1924 further provided for children from the country districts to be boarded and lodged in a Government Hostel and taught in the school at an inclusive charge of 10*s*. a month during residence or, alternatively, for grants from Government funds, not exceeding two-thirds of the cost of board and lodging for the children in private houses. Early in 1929 it was decided that the hostel had not received sufficient support to justify the cost of maintaining it, and the institution was closed down in August. It is a matter of regret that this attempt to give the children in the country districts the benefit of schooling in Stanley has had to be abandoned. The maintenance grants are, however, still being continued.

During the year the Government and the Falkland Islands Company continued to maintain travelling teachers in the Camp.

The number of children under instruction in 1929 is shown in the following table :—

	Boys.	*Girls.*	*Total.*
At the Government School	86	62	148
At the Roman Catholic School ...	18	45	63
By the Government Travelling Teachers	47	42	89
By the Falkland Islands Company's Teachers	31	26	57
	182	175	357

The attendance at the Government School in Stanley was again good, averaging just under 90 per cent. throughout the year. For the third year in succession it was not necessary to close the school on account of illness and the regular curriculum was carried out free of interruption.

During the year instruction continued to be given in woodwork in the Government School. In the latter part of the year shorthand was added to the subjects taught in the continuation class and, in addition, a special evening class for this subject was held for the benefit of those over school age. This class, which has been started in connection with the efforts being made to find a wider scope for the employment of young people in the Colony, was well attended. Two boys left the school to join the Royal Navy. From reports received they are well up to the standard of work required. Several other pupils left to go to school in England : all of them have been able to take their places amongst pupils of the same age at home.

During the year the school-children received the benefit of physical training and gymnastics under a qualified instructor. They also took part in organised games of football, for the boys, and hockey, for the girls, as in the previous year.

X.—LANDS AND SURVEY.

Practically the entire lands of the Colony are given over to sheep-farming and are in the possession of private persons who for the most part enjoy a freehold either absolute or under purchase from the Government by annual instalments. Certain areas reserved by the Crown are leased on short tenure for a like purpose. No waste lands are available for occupation or development and lands of any description are difficult to acquire and then only by special treaty. The Colony has never been surveyed in any detail, and the charts of its coasts are somewhat antiquated although they cannot be termed inadequate.

XI.—LABOUR.

During 1929 no unemployment occurred, the balance between supply and demand being very evenly kept. As in the years immediately preceding, wages on the farm stations ranged from £5 to £8 a month with quarters, fuel, meat, and milk found. Labourers in Stanley were paid from £10 a month, or 1*s*. 2*d*. an hour, and artisans from £10 to £20 a month, or 1*s*. 7½*d*. an hour. Wages of domestic servants varied from £3 to £4 a month with all found. In Stanley employment is almost solely at the disposal of the Government and the Falkland Islands Company, and as both the Government and the Company had an unusual amount of work in hand during the year, labourers found no difficulty in earning good wages. It should be borne in mind, however, that the amount of work at present available is more than can normally be expected, and that before long working men in Stanley may be obliged to seek employment elsewhere. The Falkland Islands Sealing Company employed 30 men, 20 of whom were Norwegians, engaged from South Georgia.

XII.—MISCELLANEOUS.

His Excellency Arnold Hodson, C.M.G., returned to the Colony from leave of absence on the 9th of January. During the year His Excellency toured the farms on both the East and West islands on horseback and, in addition, paid a visit to South Georgia in company with Sir Cyril Fuller in H.M.S. " Despatch."

The interest in rifle shooting, so much a feature of 1928, was again markedly in evidence in 1929. The Falkland Islands Defence Force Rifle Association, affiliated during the year to the National Rifle Association, held its second annual meeting in February. Though the enjoyment of the gathering was somewhat marred by the bad weather prevailing, the meeting was a great success from the point of view of the high standard of marksmanship shown. For a second time, the Colony was represented by a team competing for the Junior Kolapore Cup at Bisley. On this occasion the team also took part in the Junior Mackinnon Cup Competition gaining fourth place out of 11 teams competing.

In February, Vice-Admiral Sir Cyril Fuller, K.C.B., C.M.G., D.S.O., Commander-in-Chief of the America and West Indies Station, visited the Colony in H.M.S. " Despatch." Later visits were received from ships of the same squadron, the cruisers " Durban " and " Caradoc " calling at Stanley between different dates in August. As usual these visits were most popular and lent much life to the town. During the visit of H.M.S. " Durban " the Falkland Islands Defence Force engaged in field manœuvres with the crew of the vessel. The report on the operations carried out reflects great credit on the efficiency of the local unit.

In September a pictorial series of postage stamps distinctive of the Colony was issued for the first time, the new design including the picture of a penguin and a whale. With the exception of the substitution of a 2*s*. 6*d*. denomination for the 3*s*. denomination of the old issue, the values remained unaltered. The stamps on issue realized a large sale.

During the year the Boy Scouts and Girl Guides movements continued to make steady headway. In connection with the latter movement, a spinning class was started, with the object of training the girls in the useful industry followed in many homes in the Colony of spinning and knitting into garments wool locally produced. At no time has either of these movements been more firmly established in the Colony.

The popularity of the children's play, written by the Governor, of which mention was made in the Report for 1927, led His Excellency in 1929 to produce a further play, entitled " The Downfall of Zachariah Fee," which was even more successful. Over a hundred persons took part. The high standard of acting and dancing shown by the children who formed the majority of the cast greatly impressed visitors to the Colony, especially the Naval visitors of H.M.S. " Durban " and " Caradoc " in whose honour the first performances were given. Besides providing a source of welcome entertainment during the long tedious winter evening , the play afforded valuable training to a large number of children who, in the ordinary course, have little opportunity of developing their talents. The proceeds of the several performances, amounting to over £85, were devoted in part to the Boy Scouts and Girl Guides Movements, the balance being paid to a fund for providing clothing and luxuries for poor children.

From the point of view of climate the year 1929 was one of the most unfavourable which has occurred within recent years. A mild winter was followed by an unusually inclement spring and summer, the cold and wet of which made garden crops a failure, and rendered it difficult for householders to cut and bring home their annual supply of peat. Live-stock did not, however, suffer so much as might have been expected. A total rainfall of 33.84 inches, the highest since 1911, was registered. The mean force of the wind throughout the year was 4.1° : on 212 days a force of 4° to 7° and on 10 days over 8° was recorded, while eight days only of calm were experienced. The mean temperature for the year was 41.5° F.

PART II.

THE DEPENDENCIES.

PREFATORY NOTE.

History and Geography.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

South Georgia and the South Shetlands Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship "Dove" who landed on Coronation Island on the 7th of December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig "Williams" in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1821 and 1821-1822 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-1824 these animals were almost extinct.

The area of the Dependencies covers 3,100,000 square miles or 1½ per cent. of the entire surface of the globe and one-fifth approximately of the total area of the British Empire. Much of it is ice-bound but there are more than a million square miles of sea readily accessible for whaling, fishing, and sealing.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands in latitude 54½° South, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. The South Georgia with the South Orkneys and South Sandwich group of dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and the fiftieth meridians of west longitude and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude 50 and 80 west. Both territories extend to the South Pole. South Georgia is the principal island

in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,000 square miles and is about 100 miles in length with a maximum breadth of 20 miles and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard, and the Weddell's seal frequent its coasts. The shore has been indifferently chartered but a survey party is at present operating in the dependency under the direction of the " Discovery " expedition. There are some good harbours which serve as bases for the whaling enterprises.

I.—GENERAL.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A resident Magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other dependencies is carried out by representatives of the Government who accompany the expeditions.

At South Georgia, which is devoted solely to the whaling industry, five land stations have been established and are occupied throughout the year. A land station has also been erected at Deception Island in the South Shetlands the personnel of which arrives and returns annually with the whaling fleet. In the Dependencies other than South Georgia, however, the harbours are ice-bound for seven or more months in the year and the work of boiling down is done on board floating factories, except for the land station at Deception Island, access to which is normally possible from November onwards.

At Laurie Island in the South Orkneys the Argentine Government continued to maintain the meteorological station established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and transferred by him in 1904. The Argentine Government has subsequently erected a wireless station for use in conjunction with the meteorological station.

The " Discovery " Expedition, which is conducting research mainly into whaling in the waters of the Colony and of the Dependencies, continued its operations during the year from its base at Grytviken, South Georgia. The R.R.S. " William Scoresby," the only vessel attached to the Expedition during the

year, left South Georgia for Capetown in May, returning again in October. The R.R.S. " Discovery II," built and equipped for the purposes of the Expedition at a cost of £61,500, left England for South Georgia on the 14th of December.

II.—FINANCE.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1929 to £122,814. The local expenditure was £39,385, leaving a surplus of £83,429 which, in accordance with the provisions of Ordinance No. 6 of 1924, was transferred to the Research and Development Fund.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1925	180,098	77,928
1926	221,595	100,325
1927	206,059	111,306
1928	194,153	122,102
1929	122,814	39,385

The total amount of the surplus assets standing to the credit of the Research and Development Fund at the 31st of December, 1929, was £453,588. There is no public debt.

The legal tender currency is British sterling and Falkland Islands notes.

No banking facilities exist. The bulk of the payments, including the export duty on whale oil, is made by drafts, on which a remittance rate of 1 per cent. is charged.

III.—PRODUCTION.

Apart from sealing on a small scale at South Georgia, whaling is the only industry in the Dependencies, and whale oil and by-products of the whale, such as guano, their sole produce. The whaling season is restricted to the period from the 16th of September to the 31st of May, and the sealing season from the 1st of March to the 31st of October.

During the season 1928-1929 the price of whale oil ranged from £25 to £27 a ton and the export duty payable was fixed at the rate of 2*s*. a barrel or 12*s*. a ton; the export duty levied on guano is at the rate of 1½*d*. per 100 lb.

At South Georgia the weather during the season was unfavourable for whaling, high winds, fogs, and snow squalls occurring frequently. Operations commenced towards the end of September and continued until the middle of April when the factories, with one exception, closed down on account of the scarcity of whales within a distance at which they could profitably be taken. Despite

these adverse conditions, both catch and production were an improvement on those of the previous season, the former showing an increase of 1,495 whales and the latter of 37,103 barrels. Better success attended the operations at the South Shetlands and the South Orkneys where the season was exceptional, both as regards the number of whales taken and the oil produced, the latter exceeding the previous season's record output by approximately 40 per cent. At the South Sandwich Islands the season was also exceptionally good, the weather throughout being calm and the ice conditions favourable : as at the South Shetlands and the South Orkneys, blue whales, the largest and most profitable species, were plentiful and in splendid condition.

A new feature of the industry as a whole is the increasing intensiveness with which it is now carried on as compared with the time when competition from outside the Falkland Islands Sector had not to be faced, and when the bulk of the catch could be obtained within a comparatively short distance from land. The higher cost of operations combined with the lower prices realized for whale oil renders it more than ever necessary that no effort should be spared in taking the fullest advantage of the short working season.

The following table in which the price of whale oil is put at the lowest figure reached in 1928-1929, namely, £25 a ton, gives the size and value of the catch during the past five seasons :—

Season.	*Actual Whales killed.*	*Barrels of oil produced.*	*Average Number of barrels per whale.*	*Value.* £
1924–25 ...	10,057	661,998	66·10	3,640,989
1925–26 ...	13,188	723,831	54·88	4,101,709
1926–27 ...	10,631	729,891	68·56	3,158,431
1927–28 ...	10,220	787,826	77·08	3,686,521
1928–29 ...	13,514	1,047,142	77·48	4,363,092

The production of guano was well maintained, the total number of bags manufactured during the season 1928-29 being 254,901 as compared with 192,016 bags in the previous season. The estimated value of the guano produced was £227,395.

Sealing operations in 1929 yielded 9,224 barrels of oil as compared with 8,768 in 1928. The average quantity of oil produced from each seal was as in the previous season 1.8 barrels or, in other words, rather more than three seals went to the ton. The value of seal oil is slightly higher than that of whale oil.

IV.—TRADE AND ECONOMICS.

The value of the total trade of the Dependencies in 1929 was £5,791,455 of which £626,746 represented imports and £5,164,709 exports. Of the imports coal, coke, and oil fuel accounted for £296,683, hardware and machinery, £95,823 and provisions, £39,746. The exports of whale and seal oil amounted to £4,951,097 and of guano and bone meal to £228,266.

The following table gives the comparative value of the trade of the Dependencies during the past five years :—

	Imports.	*Exports.*	*Total.*
	£	£	£
1925	372,740	3,585,110	3,957,850
1926	530,017	4,160,743	4,690,760
1927	537,060	3,877,565	4,414,625
1928	436,019	3,763,149	4,199,168
1929	626,746	5,164,709	5,791,455

Of the imports the bulk of the coal, in the usual course, is obtained from the United Kingdom, and of the machinery, equipment, and provisions from Norway. The exports of whale and seal oil and guano are sold on the European market in large measure to Norway, Holland, and Germany, but the consumption in the United Kingdom is not inconsiderable. The firm of Lever Brothers of Port Sunlight owns the Southern Whaling and Sealing Company, which operates from a land station in South Georgia and with a floating factory expedition at the South Shetlands, and utilizes the produce for the purpose of its manufactures. The South Georgia Company, which operates similarly from a land station and with a floating factory, is also British, being owned by Messrs. Salvesen and Company of Leith. British capital has acquired recently further large interests in the Anglo-Norse and Hektor Whaling Companies.

V.—COMMUNICATIONS.

As stated in a previous chapter of this Report communication of a regular nature, more or less, between South Georgia and Stanley, and once a year between the South Shetlands and Stanley, is maintained by the s.s. " Fleurus " of the Tonsberg Whaling Company, running under contract with the Government.

During the whaling season direct sailings between Europe and South Georgia in either direction are not infrequent and there is a fairly reliable service between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. " Tijuca " of the Compania Argentina de Pesca. The vessels of the South Shetlands Whaling fleet call some at Stanley and some at South Georgia, on the way down to the fishing grounds in October and November, and on the return voyage in April and May.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken which is in regular communication with Stanley through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island in the South Orkneys. There are no railways or roads in

the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island in the South Shetlands are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1929 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	61	112,530	—	—
Argentine	26	26,837	1	734
Denmark	1	1,924	—	—
Greece	2	5,532	—	—
Norway	99	148,745	—	—
Peru	2	3,266	—	—
Uruguay	2	2,510	—	—
	193	301,344	1	734

VI.—JUSTICE, POLICE AND PRISONS.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to the Dependencies. During 1929 no case of serious crime came before the Courts. Despite the trying conditions the personnel of the whaling industry forms a most peaceful and law-abiding community calling seldom for the intervention of the civil authorities, a fact which in itself speaks highly for the discipline maintained by the managers of the several stations.

VII.—PUBLIC WORKS.

No public works of importance were carried out by the Government during the year.

VIII.—PUBLIC HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness, with occasional outbreaks of beri-beri, is caused by the lack of fresh foodstuffs.

No medical officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well equipped hospitals maintained by the whaling companies, and at Deception Island a very efficient hospital is kept in commission during the season by the Hektor Company.

The population of South Georgia fluctuates with the seasons of the whaling industry. During the summer it approximates to 1,500, practically all males, and during the winter to one-third of

that number. The British inhabitants of South Georgia do not exceed 100, the remainder being almost exclusively Norwegian or of Scandinavian origin.

The number of deaths reported during the year was 14.

IX.—EDUCATION.

There are no children in the Dependencies and the problem of education does not therefore arise.

X.—LANDS AND SURVEY.

All the land in the Dependencies is owned by the Government. At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for periods of 21 years at annual rentals of £250; some of these leases have been temporarily renewed. There are also five unoccupied leaseholds upon which rental is paid. Land stations have been similarly established at Deception Island in the South Shetlands and on Signy Island in the South Orkneys.

The mineral potentialities of South Georgia have yet to be determined and no attempt has been made hitherto to exploit them. No detailed survey of the lands has been undertaken and the charts of the coasts are of necessity very incomplete. Much information has been obtained, however, by the vessels of the whaling fleet. During 1929 a survey party under the " Discovery " expedition was engaged on detailed work in the harbours of South Georgia.

XI.—LABOUR.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms from Norway. The bonus system on production is generally in vogue, the wages of an ordinary labourer ranging from £10 to £15 a month with all found. The personnel of the several stations and expeditions for the most part arrive and depart with the whaling fleet at the beginning and the end of each whaling season. No labour troubles requiring the intervention of the Government occurred during the year.

XII.—MISCELLANEOUS.

The second annual meeting of the South Georgia Sports Association was held at Husvik Harbour on the 12th of February, 1929. The event coincided with the visit of H.M.S. " Despatch " with His Excellency the Governor and Vice-Admiral Sir Cyril Fuller, K.C.B., C.M.G., D.S.O., Commander-in-Chief of the America and West Indies Station, on board. The distinguished visitors received an enthusiastic reception and the presence of the officers

and men of the warship added greatly to the enjoyment of the gathering, which, as befitting a Norwegian community, was conducted in true Scandinavian fashion. These meetings have proved a welcome innovation in the life of the busy community at South Georgia. That the results are beneficial is clearly evident from the keen interest the Company owners and managers take in the progress of the movement.

On the 15th of August, 1929, a disastrous avalanche occurred at Leith Harbour, the Headquarters of the South Georgia Company, wrecking five buildings and causing the death of three men. The buildings in question were situated at the base of a precipitous mountain, from which hundreds of tons of snow and ice became suddenly dislodged. A similar disaster occurred some years ago in the vicinity, but it was considered at the time that the buildings recently destroyed lay outside the danger zone. Care will be taken that no buildings will in future be erected within that area.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch at the approach to Port Foster was disturbed, and in 1925, during the absence of the whaling factory " Ronald " one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-1929 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. On the 13th of December a further shock occurred, and from that date to the end of the year slight tremors continued to be felt. Frequently the water in the harbour became agitated by the subterranean heat, the shores at places being completely obscured by the dense vapour emitted.

G. R. L. BROWN,

Assistant Colonial Secretary.

COLONIAL SECRETARY'S OFFICE,
STANLEY, FALKLAND ISLANDS.
2nd August, 1930.

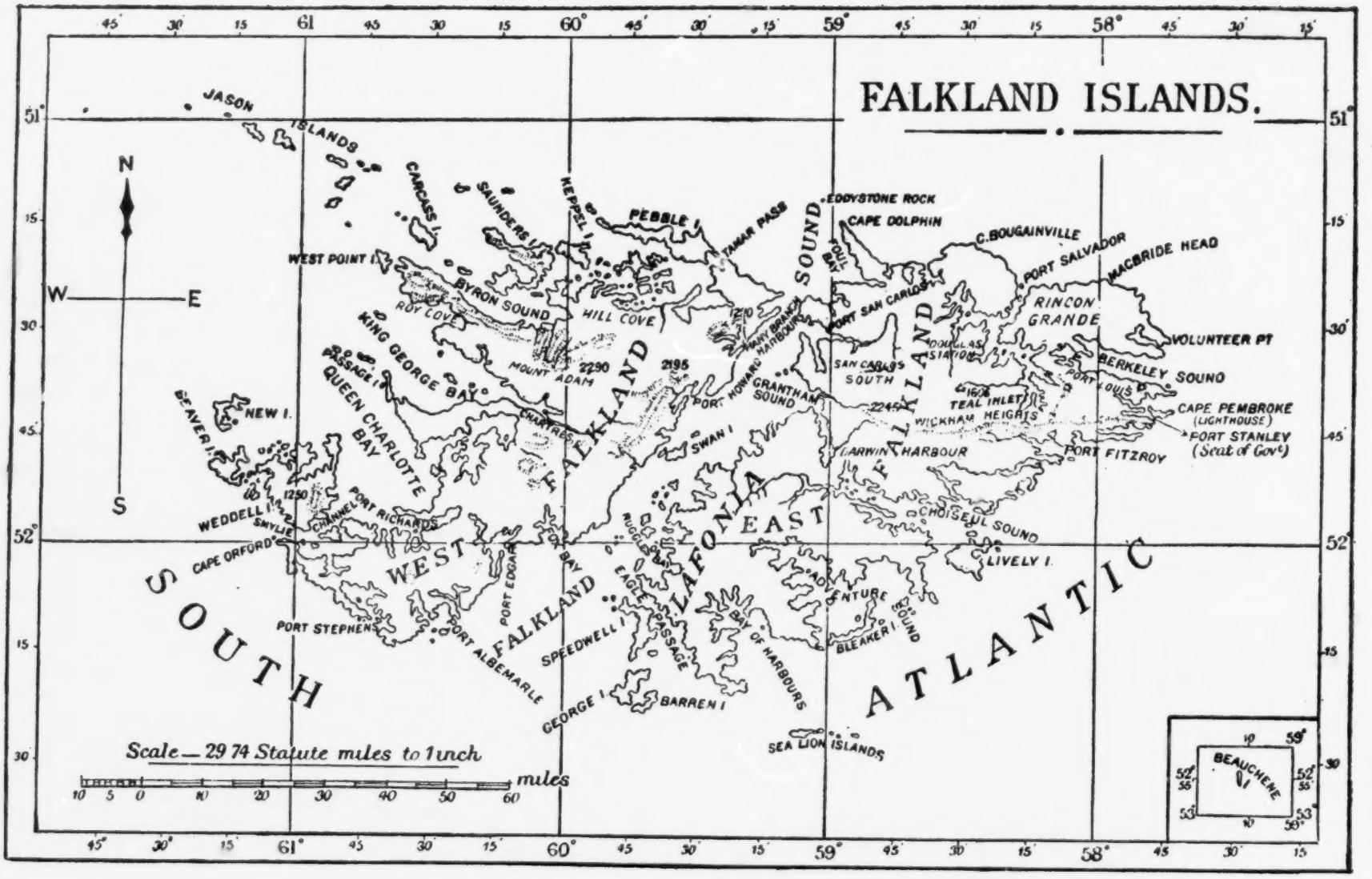

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TABLE OF CONTENTS.

	Colony. *Page*	*Dependencies.* *Page*
Prefatory Note—History and Geography ...	2	21
I. General	5	23
II. Finance	6	23
III. Production	8	24
IV. Trade and Economics	9	25
V. Communications	11	26
VI. Justice, Police and Prisons	13	27
VII. Public Works	13	27
VIII. Public Health	15	27
IX. Education	18	27
X. Lands and Survey	19	27
XI. Labour	19	28
XII. Miscellaneous	19	28
Map.		

PART I.

THE COLONY.

PREFATORY NOTE.

History and Geography.

The Falkland Islands, called by the French Isles Malouines and by the Spaniards Islas Malvinas, were discovered on the 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on the 2nd of February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of

wild geese and of fresh water, the Falkland Sound in memory of the well-known Royalist Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of " Falkland Islands " although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island of Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the Southern Seas, bought out the French from the settlement at Port Louis, which they re-named Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new Colony at Port Louis in 1829. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On the 8th of December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on the 26th of February, 1927.

The Colony is constituted as a Crown Colony with a Government of the usual type, having at its head a Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. The Legislative Council is

composed of four official and two unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting.

The population of the Colony is almost exclusively of British descent, and the only language spoken is English, although a certain number of Spanish terms are in common use in the sheep-farming industry relating principally to horse management and to topographical description. The monetary units and also the units of weights and measures are the same as in the United Kingdom and Imperial gold, silver, and copper coinage is alone in circulation. The Colony issues its own currency notes, but Imperial currency notes are, without distinction, legal tender.

Geographically the Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° S. latitude and 57° and 62° W. longitude. In addition to the two main islands, known as the East and the West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :—

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interruped by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in a few places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about a thousand inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into

which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterised by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is to the south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting twenty-four hours.

In the rigour of its climate and prevailing high winds the Colony has a valuable protection against the introduction and spread of disease. On the other hand, the weather is trying to a degree that is harmful to good health, by reason of its depressing nature and the indoor confinement it imposes. In contrast to this gloomy fare, no climate in the world can surpass in geniality the bright, calm weather sometimes experienced, when the clearness of the atmosphere is astonishing. Occasionally, in summer, marvellous sunsets and after-glows are seen.

I.—GENERAL.

Sheep-farming, which has for many years been the sole industry of the Falkland Islands, still remains the only industry of importance, the undertaking recently launched with local capital for the exploitation for oil of the extensive hair seal herds in the islands not yet having succeeded in establishing itself on a firm foundation. There is reason to hope, however, that a profitable secondary industry will eventually be developed out of these resources. On the large sheep stations into which the country is divided the production of wool is the chief and in fact the only consideration. On several farms large herds of cattle are still run, more with the object of consolidating the soft peaty soil than for their value as stock.

Owing to the Colony's limited resources, no foodstuffs are produced in marketable quantities, with the exception of beef and mutton. In consequence, the community is almost entirely dependent on oversea importations for provisions, and the cost of living is accordingly high, averaging some twenty per cent. more than in the United Kingdom. In the country, where garden and dairy produce are at most times obtainable, it is more moderate

than in the town, but, generally speaking, high prices can only be avoided by adherence to a diet strictly limited in variety. It is very difficult to rent a house in Stanley, but for the occasional visitor there are several boarding houses which offer a reasonable degree of comfort and convenience. No hotels, however, exist in the accepted sense of the term.

The policy of the administration has been directed of recent years principally towards the betterment of conditions of living in the Colony and the improvement of communications with abroad.

The housing problem in Stanley, with its attendant evils of overcrowding and disease, has been alleviated to a large extent by the houses which have been built by the Government both for its officials and for workpeople and by the grant of loans on easy terms of repayment to persons desirous of building their own houses.

Steps have also been taken for the preservation of the public health by the energetic co-operation on sanitary services of the Medical and Public Works Departments. Special attention has been paid at the same time to the provision of increased facilities for recreation with the object of opening up a brighter social outlook for the people. In this direction much benefit has been derived from the daily news-sheet the *Penguin* and from the Broadcast service. It is anticipated too that the extension to the town of the Government electric lighting system will be productive of valuable results. The mail service has now been established on such a basis that opportunities for the receipt of inward mails and for the despatch of outward mails occur on the average not less often than once a month. Direct wireless telegraphy communication between Stanley and Bergen, Norway, has made the exchange of messages between the Colony and the United Kingdom a matter relatively of slight delay and small expense. These measures have gone far towards breaking down that sense of isolation and neglect from which by reason of its geographical position the Colony is apt always to suffer.

II.—FINANCE.

Revenue.

The revenue of the Colony for the year 1930 from all sources was £82,812 as compared with £73,599 in 1929, and from ordinary sources £62,094 as compared with £66,650 in 1929 and £51,011 in 1928. The increase in the total revenue (as also in the total expenditure) is due to the establishment of a Reserve Fund in the sum of £13,990 and the decrease in the revenue from ordinary sources, to the comparatively small imports during the year of spirits and tobacco, and to a falling off in the export of wool.

The amount derived from taxation during the year was £14,318 as against £18,901 in 1929. Of this sum approximately 56 per cent. was contributed by the sheep-farming industry, the remainder being collected from the community generally.

Expenditure.

The total expenditure on recurrent services in 1930 was £39,128 or less by £22,966 than the revenue from ordinary sources. This surplus was applied in part to meet the capital cost of the extraordinary works undertaken, and the balance was set aside towards the nucleus of a Reserve Fund to which it is hoped from year to year to make substantial additions. Details of the programme of extraordinary works carried out at a cost of £16,860 are to be found in a subsequent section of this Report. No sums were expended from the Marine Insurance Fund or from the Land Sales Fund; the latter Fund was increased during the year by £6,726 to £229,172 at which figure it stands at present. The amount put to the Reserve Fund was £13,990.

As compared with 1929 the ordinary expenditure showed a decrease of £6,871 and was less than the original estimate by £1,956. This further substantial reduction in the Colony's running costs has been effected by the loyal co-operation of all concerned in the rigid application of the administration's pass-word "economy with efficiency." No department is starved of money needed for any essential service but reduplication and extravagance have been almost entirely eliminated. The scheme of re-organization has yet here and there to be completed and it is calculated that when finally finished it will permit of the recurrent services of the Colony being adequately maintained on a total expenditure under ordinary heads of between £36,000 and £37,000.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		Expenditure.	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1926	51,812	58,762	36,577	48,099
1927	50,318	62,069	38,764	50,814
1928	51,011	73,957	55,329	68,903
1929	66,650	73,599	46,000	59,041
1930	62,094	82,812	39,128	69,979

Assets and Liabilities.

The excess of assets over liabilities on the 31st of December, 1930, amounted to £269,239. The following statement shows the balances at the beginning and the end of the year :—

	1st January.	*31st December.*
	£	£
Land Sales Fund	222,445	229,172
Marine Insurance Fund ...	2,848	2,848
Reserve Fund	—	13,990
General Account	31,114	23,229
	£256,407	£269,239

Currency and Banking.

The legal tender currency is British sterling and a paper currency of 10s., £1, and £5 notes issued by the Colonial Government under the Falkland Islands Currency Notes Ordinance, 1930. It is estimated that on the 31st December, 1930, there was £3,000 of specie in circulation. During the year the note issue again stood at £24,000. The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1930, the total sum deposited was £142,189 and the number of deposit accounts 993 as against 968 on the 30th of September, 1929. This gives a figure of approximately £60 per head of the population deposited in the Savings Bank. Remittances for the credit of any person or firm in the Colony can be made through the Crown Agents for the Colonies, the charge for this service being at the rate of 1 per cent.

General.

The Colony's investments in approved securities, on which approximately one-quarter of the revenue depends, were increased during 1930 by £18,695 to a total at the 31st of December of £405,143. Of this sum £225,106 represents the investments of monies derived from the sale of land; £144,633 is held on account of the Savings Bank, and £18,566 for the Note Security Fund, the balance standing to the credit of the Reserve Fund and the Marine Insurance Fund.

In itself the year was eminently satisfactory from the financial point of view. The revenue from ordinary sources was but £4,556 less than that collected in the preceding year which was the highest on record while the expenditure under ordinary heads was reduced by £6,872 as compared with 1929 and by £16,201 as compared with 1928.

Without exaggeration it can be said that at no time have the finances of the Colony rested on a sounder basis, and even in the face of the universal depression no anxiety is felt as to the future.

III.—PRODUCTION.

Wool.

No statistics are kept of the actual quantities of wool produced in any one year, as distinct from the quantities exported, but it may be gathered from the export statistics in Section IV of this Report that the production for the five years ended on the 31st of December, 1930, averaged approximately four million lb. annually, as compared with over four and a quarter million lb. for the previous quinquennial period. While this tendency towards reduced production is due in part to the depleted state of the pastures, it is also in part

attributable to the steps taken by the landowners to conserve the productive value of their farms by reducing the number of sheep carried to the level the land can most economically support. It is encouraging to note that the policy of importing pedigree stock is being attended with good results. Recent importations have had a marked effect on both the quality and quantity of the wool.

All the wool is exported in the grease, the entire clip being marketed in the United Kingdom. Prices in 1930 were affected by the world-wide slump and showed a further fall as compared with those realized in 1929, averaging between 9d. and 10d. per lb. Otherwise, on the whole, the year under review was favourable to the industry despite sharp spells of hard weather experienced during the spring. As in previous years the general health of the flocks was good, no disease of a serious nature occurring.

Seal Oil.

The operations of the Falkland Islands Sealing Company are at present confined to the production of oil from hair seal. In 1930, 530 tons of oil were produced as compared with 550 tons in 1929. Of this quantity 200 tons only were exported at an average price of £22 a ton, the balance remaining unsold on account of unfavourable market conditions. The position of the Company from the point of view of production is satisfactory but until prices recover the financial outlook is not encouraging.

Apart from the commodities above described the Colony has no resources of known commercial value. Agriculture can hardly be said to exist, the only tillage being found around some of the settlements where small fields of forage crops are grown. It is encouraging to note that the acreage under cultivation is increasing. There are no forests and no fisheries, while mineral deposits suitable for working have yet to be discovered.

IV.—TRADE AND ECONOMICS.

The aggregate value of trade for the year was £330,386 as compared with £430,018 for the previous year. Imports showed a decrease of £44,703 and exports of £54,929.

The following table shows under the principal heads the respective values for the past five years :—

Imports.	*1926.*	*1927.*	*1928.*	*1929.*	*1930.*
	£	£	£	£	£
Food, drink, and tobacco ...	62,895	70,302	45,568	43,850	44,584
Raw materials and articles mainly unmanufactured.	16,436	28,056	22,289	17,944	13,057
Articles wholly or mainly manufactured.	92,686	75,240	74,338	95,281	53,613
Live stock	7,212	715	2,973	4,073	5,191
Bullion and specie	—	25	1,900	—	—
Total Imports	£179,229	174,338	147,068	161,148	116,445

Exports.	*1926.*	*1927.*	*1928.*	*1929.*	*1930.*
	£	£	£	£	£
Wool	214,290	236,028	280,770	236,992	190,943
Hides and skins	20,094	10,713	13,332	13,029	14,704
Tallow	2,564	860	1,016	1,529	722
Live stock	1,480	—	600	—	473
Seal oil	600	—	—	16,423	5,920
Other articles	930	332	593	897	1,179
Total Exports	£239,958	247,933	296,311	268,870	213,941

The decrease in the value of the wool exported is due mainly to the fall in the market prices obtained.

Imports.

The principal articles imported during 1930 were :—

	Value.
	£
Groceries	28,963
Hardware and machinery	15,403
Timber	12,300
Drapery and wearing apparel	6,740

Imports of hardware and machinery show a decrease of £30,917, of drapery and wearing apparel £7,819, and of timber £4,067 over the respective figures for the previous year, which were in the case of the first-named class much in excess of the average.

Approximately 82.9 per cent of the total imports came from the United Kingdom and other parts of the British Empire, as compared with 85.5 in 1929. The countries of origin were as follows :—

	£
United Kingdom	96,549
New Zealand	5
Total from British Empire	£96,554
Uruguay	8,603
Chile	5,088
Argentine	4,117
Norway	883
United States	631
France	278
Denmark	260
Brazil	31
Total from foreign countries	£19,891

Exports.

Almost the entire export trade was with the United Kingdom, shipments to other countries being inconsiderable. Of the total trade, approximately 89 per cent represented the value of the wool exported and 7 per cent the value of the other products of the sheep-farming industry.

The following is a comparative table showing the quantities exported during the past five years :—

	1926.	*1927.*	*1928.*	*1929.*	*1930.*
Wool (*lb.*)	4,377,385	3,972,509	3,929,487	4,068,057	3,690,572
Tallow (*lb.*)	159,040	96,320	144,480	274,400	158,368
Hides and sheepskins (*number*).	71,049	79,300	52,194	57,489	52,091
Seal oil (*barrels*) ...	100	—	—	2,657	2,424

Customs Duties.

There are no import duties except on spirits, 30s. per gallon, wine, 3s. per gallon in bulk, and beer, 6d. per gallon in bulk, tobacco, 4s. per lb., cigars, 6s. 9d. per lb., and matches, 4s. per gross of boxes. Of the exports only wool and seal oil are dutiable, the former being taxed at the rate of 1s. for every 25 lb. and the latter at the rate of 2s. per barrel of 40 gallons. The total revenue derived from Customs duties was £13,624.

General.

The greater proportion of the trade of the Colony, both import and export, is conducted by the Falkland Islands Company of which the head offices are situated in London. Other firms of lesser standing, principal among which is the Estate Louis Williams, carry on business, mostly importing, in Stanley.

V.—COMMUNICATIONS.

With the exception of whaling vessels on their way to and from the fishing grounds and an occasional freighter the only ocean-going vessels calling at Stanley are those of the Pacific Steam Navigation Company, which are for the most part cargo vessels. Since the opening of the Panama Canal, calls by vessels belonging to this line have become infrequent and irregular and it has been necessary in consequence for a number of years past to take advantage of such other opportunities as have occurred from time to time for the transport of mails and passengers. The arrangements for additional communication as required between Stanley and Montevideo by vessels engaged in local trade to which reference has been made in previous reports were continued during 1930 and have greatly improved the Colony's mail service; so much so that on an average mails are now received from and

despatched to the United Kingdom at intervals of not more than a month. As in 1929 in addition to eight calls by cargo vessels three calls were made at Stanley by passenger vessels of the Pacific Steam Navigation Company, two outward, or westward, and one homeward, or eastward, bound. The sea passage to the United Kingdom by the direct route occupies twenty-six days.

During the year interinsular communication was well maintained, the outlying districts of the Colony being served with practically the same facilities for the receipt and despatch of over-sea mails as Stanley.

Communications with the Dependency of South Georgia were carried out as in the preceding year by the s.s. *Fleurus* of the Tonsberg Whaling Company, the Government paying a subsidy towards the cost of each voyage performed. The schedule of sailings provides for five voyages between Stanley and Grytviken during the whaling season, i.e., October to May, and for two voyages during the remainder of the year and also for one voyage early in each year between Stanley and Deception Island in the South Shetlands.

The following table shows the number, nationality, and description of the vessels which entered the Colony from overseas in 1930 :—

Nationality.	*Steam Vessels.*	*Tonnage.*	*Sailing Vessels.*	*Tonnage.*
British	17	49,541	2	50
Foreign (mostly Norwegian).	20	27,706	—	—
	37	77,247	2	50

Two wireless stations for external traffic are maintained by the Government, one at Stanley and one at Grytviken in South Georgia. A small station is also maintained by the Government at Fox Bay on the West Falkland for inter-insular communication.

There are no submarine cables in operation. Telegraph charges to the United Kingdom are 1s. a word via Bergen and 4s. 2d. a word via Montevideo. The postal rate of 1d. per ounce for letters to the United Kingdom still remains in force. It is noteworthy to remark that even throughout the Great War thi rate was not increased.

There are no railways in the Colony, and at present no roads outside the town of Stanley other than that under construction along the south shore of the harbour to which reference is made in a later section of this Report. Internal communication is carried out almost entirely by horse or by boat, but recent experiments with caterpillar cars and lorries have revealed possibilities of future development which are in process of investigation.

There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use.

Many of the farmers have their own lines which connect on the East Falkland to the Stanley system and on the West Falkland to the Fox Bay wireless station. Two farm settlements maintain wireless stations of low power for local communication.

VI.—JUSTICE, POLICE, AND PRISONS.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Judge and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with petty offences. The local Police Force consists of four constables and a chief constable and is stationed entirely at Stanley. The chief constable is also gaoler in charge of the gaol in Stanley which accommodates only short sentence prisoners. During 1930 no crime of a capital nature was brought before the Courts and in general the Colony shows a remarkable absence of crimes of violence while serious crime of any description is of rare occurrence. The problem of young offenders does not arise except in isolated cases each of which receives individual attention from the reformative rather than the punitive point of view. No instance is on record at any rate in recent years in which a child or young person has been committed to prison.

VII.—PUBLIC WORKS.

The total expenditure under Public Works votes in the year under review was £26,966 as compared with £24,307 in the previous year.

The principal new work undertaken was the construction of the Public Baths and Gymnasium, an imposing and commodious building situated near the Town Hall in the centre of Stanley, at a cost of £6,000. The building is equipped with six bathrooms and two shower-baths, a reading and waiting room, water-closets, caretaker's office and storerooms, and contains a spacious main hall for gymnastics and other forms of indoor recreation and exercise. Opened early in 1931 it fills a long-felt want and is proving of inestimable value to the public by whom it is generally appreciated. Two blocks of four houses each for workpeople were built at the east end of Stanley in order to relieve overcrowding in the town. The accommodation is a model of its kind and is in actual occupation to the full satisfaction of its tenants who are thus afforded the opportunity hitherto denied them of living and bringing up their families in healthy conditions. In this manner a large advance has been realized towards the solution of the housing problem which for many years past has been growing more and more acute. Other new works include the erection of an official residence for the Colonial Secretary in replacement of and on the site of the old residence, Sulivan House, which was totally destroyed by fire in

May, 1929, a pavilion at the range for the use of the Defence Force and allied Rifle Association, and a combined store and workshop for the Electrical Department.

A start was made also on the extension of the original scheme for the improvement of Stanley which was completed in 1929. The works proposed at a total cost of £20,000 (inclusive of the cost of the two blocks of houses for workpeople of which mention has been already made) spread over a period of four years comprise extensions to the roads and the water supply and drainage systems especially in the upper parts of the town. During the year under review nearly half a mile of road was formed through a new housing area with concrete kerb and gutter and sealed main drain picking up connections from some twenty new houses and discharging by sewer outfall into the sea.

The construction of the road leading along the south side of Stanley harbour to its western end, known as the North Camp road, was continued during the year. Approximately the one-half of the total distance of three miles has now been completed. This road is the first to be constructed outside the limits of Stanley. Besides affording access to the Admiralty or Western Wireless Telegraph Station and facilitating the approach to Stanley from the North Camp it has been instrumental incidentally in opening up fresh deposits of excellent peat from which it is anticipated that the major portion of the supply required for Government purposes will be obtained at an economical rate for many years to come. From the point of view of amenity also it is of great benefit to the inhabitants of the narrowly confined town of Stanley.

The usual maintenance services were continued by the Public Works Department during the year, the expenditure amounting to £5,554 as compared with £6,800 in 1929. The roads in Stanley were kept in a good state of repair. Two of the main roads were surfaced with a cold bitumen emulsion, the use of which has proved very effective and it is proposed to continue. The upkeep of plant, buildings, walls, fences, harbour lights, and jetties was carried out with proper care and efficiency. The water service was also maintained in due order. It is satisfactory to note that the number of connexions to private houses from the water service is steadily on the increase, so much so that an increase in the storage capacity of the reservoir is contemplated by the addition of a tower which will enable the supply to be laid on to any house in the town, and will also make available adequate pressure for fire-fighting purposes.

The year 1930 was particularly favourable in so far as regards the cutting and handling of peat. Consequent on the opening up of the new banks on the North Camp Road it was found possible to transport the greater part of the season's peat by motor lorry and thus to effect a considerable saving both in time and in money on the old method of employing carts and horses.

With the object of exploring the possibilities of improved communication between Stanley and sheep-farming stations by the construction of tracts over the " camp " suitable for motor traffic, a voyage, in the nature of a rough survey, was made in March by the Director of Public Works in a Morris 30 hundredweight six-wheeled lorry with caterpillar attachment to Darwin, the principal station on the East Falkland, distant from Stanley about sixty miles. The country traversed was virgin hilly and boggy ground interspersed with streams and stone-runs, but the adventurous journey was successfully accomplished in either direction within two days.

As a result of this trial it has been decided that the cost of metalled roads to the " camp " is prohibitive, but that useful work can be done in this direction by way of marking out the tracks to be followed and of assisting the farmers in improving the tracks and in bridging streams.

The electric lighting system installed in 1929 and designed primarily for use in Government buildings and residences, such as the Town Hall, the Hospital, Government House, and officials' quarters, worked with complete efficiency during the year and has been successful from every point of view. Plans have been drawn up for the extension of the system during the current year generally to the town, including street-lighting and private houses.

VIII.—PUBLIC HEALTH.

Vital Statistics.

The inhabitants of the Falkland Islands are of European and chiefly of British descent, in which Scotch blood is marked.

The estimated population, based on the figures of the last census in 1921, was 2,396 at the end of 1931, of whom 1,342 were males and 1,054 females and of whom approximately 1,000 are resident in Stanley. During the year under review 54 births and 20 deaths were recorded, as compared with 57 births and 14 deaths in the previous year, and giving the following rates :—

Population per square mile	.52	
Birth-rate	22.73	per 1,000
Death-rate	8.42	per 1,000
Infantile mortality rate	18.5	per 1,000

General Health.

The general health of the community in 1930 was good. Apart from the usual outbreaks of colds there is nothing of special interest to note. There were no epidemics during the year. Malaria and other insect-borne diseases are unknown in the Colony and with the exception of seven cases of chicken-pox no cases of communicable diseases, other than tuberculosis and bronchitis, bronchopneumonia and bronchial catarrh, occurred. Owing to the fact that there was more frost and less rain than usual during the

winter months bronchial complaints generally were not so common as in 1929. No venereal disease exists among the population and all proper precautions are taken against its introduction.

There is a difficulty in regard to food which is never one of quantity, while the quality of that which is available is excellent; nevertheless, the diet is ill-balanced, a circumstance which is probably the chief cause of appendicitis and the invariable condition of bad teeth found accompanying it. Gardens are cultivated but insufficient attention is paid to the production and consumption of green vegetables. The necessity of adding lime to the soil must be reiterated. Fruit is not grown in the Colony; the supply is irregular and inadequate and the loss in importation inflates the cost. Four fresh cases of tuberculosis were notified during the year, two pulmonary and two abdominal. The disease is not of recent origin in the Colony but is more widely distributed than has been hitherto suspected. It does not appear, however, that its incidence is increasing, or at least with noticeable rapidity. Modern hygiene and improved housing and sanitary conditions, particularly in Stanley, may be expected to do much towards arresting the progress locally of tuberculosis.

It is satisfactory to record that the dental health of the population, especially that of the children, continues to improve and probably at no time has been better. All children of sixteen years and under receive free treatment and advice from the Dental Surgeon who makes frequent visits of inspection to the schools in Stanley and periodical tours of the out-districts. Tooth brushes and dentifrice are issued without charge to the children and the habit of caring for their mouths is being steadily inculcated in the future men and women of the Colony.

Vaccination is compulsory and most of the children have been vaccinated during the past two years. The necessity for vaccination is emphasized during medical inspection of the schools and appropriate action is taken when defaulters are discovered. Special attention is given in the curriculum of the schools to physical exercises and games and added benefit will accrue from the use of the recently constructed public baths and gymnasium to which reference is made in an earlier section of this report.

The improvements to the town of Stanley which have received previous notice were continued steadily during the year. The extensions to the drainage and sewerage systems and to the water supply actually in progress or contemplated in the near future cannot fail considerably to raise the standard of living and of health of the residents. The housing problem has been tackled in so vigorous and practical a manner as virtually to have been solved and in general terms the housing of the people in Stanley is very satisfactory. Incidentally the quarters provided by the Government for public officials are now adequate both in number and in description.

Regular inspections of meat and of slaughter-houses were carried out. A new slaughter-house has been built to the east of Stanley in conformity with the requirements of the Board of Health. Of the two existing slaughter-houses one has been improved and improvements to the other are projected.

Attempts were made to improve the milk supply and during the year milk samples were frequently analysed. This caused a distinct improvement in the cleanliness of the milk retailed.

Repeated attacks have been made on rats in the town rubbish dumps on the foreshore chiefly by means of poison baits. There are bi-annual rat weeks.

The health of the Government officials in 1930 on the whole was good.

Port Health.

Thirty-six vessels with a registered tonnage of 76,808 tons and with crews totalling 2,012 were given pratique during the year. It was not found necessary to quarantine any vessel calling at the port.

Maternity and Child Welfare.

Twenty maternity cases were treated in the hospital and five in the district. Ante-natal and child-welfare services are provided and the increasing number of patients indicates that these services are appreciated. Systematic and frequent inspections of the schools and school-children were made by the Principal Medical Officer and the Dental Surgeon. A continuous improvement in the health of the children was observed and the hygienic condition of the schools was found at all times to be satisfactory.

Hospital.

The King Edward VII Memorial Hospital, Stanley, was built in 1914 and is maintained by the Government. It comprises 12 beds, out-patient department, operating theatre, office, stores, and quarters for nurses. Two outside buildings provide for the dental surgery and workshop, quarters for the junior and domestic staff, a drug store and laboratory. The Hospital has been recently reconditioned and re-equipped and is now thoroughly up to date. Among the new equipment which has been acquired is a Phillips Metallix portable X-ray apparatus and an artificial sunlight lamp. The laboratory is well furnished.

One hundred and forty-three in-patients were treated during the year, of whom 119 were cured, 21 were relieved, 1 was not improved, and 3 died. Twenty-seven surgical operations were performed.

The number of patients treated in the out-patient department was recorded as 862, the total number of attendances being 1,743.

IX.—EDUCATION.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two years' course of more advanced study. A scheme instituted in 1924 further provided for children from the country districts to be boarded and lodged in a Government hostel and taught in the school at an inclusive charge of 10s. a month during residence or, alternatively, for grants from Government funds not exceeding two-thirds of the cost of board and lodging for the children in private houses. Early in 1929 it was decided that the hostel had not received sufficient support to justify the cost of maintaining it, and the institution was closed down in August. It is a matter of regret that this attempt to give the children in the country districts the benefit of schooling in Stanley has had to be abandoned. The maintenance grants are, however, still being continued.

The number of children under instruction at the end of 1930 is shown in the following table :—

	Boys.	*Girls.*	*Total.*
At the Government School ...	100	64	164
At the Roman Catholic School	20	48	68
By the Government Travelling Teachers	51	38	89
By the Falkland Islands Company's Teachers	33	27	60
	204	177	381

The attendance at the Government school in Stanley was again good, averaging just over 90 per cent. throughout the year. The general health of the pupils was also satisfactory, and for the fifth consecutive year there were no extraordinary closures of the school for sickness. All the children both at the Government school and at the Roman Catholic school were medically examined in the course of the year, and in addition the Principal Medical Officer and the Dental Surgeon made periodical visits of inspection.

The teaching of woodwork to the senior boys was continued, and of shorthand to the continuation class. Physical training, including football, hockey, and gymnastics as well as the formal Swedish drill, formed part of the regular curriculum. The Government school took part in a handwriting competition organised by Messrs. Harrods, Limited, for schools in England; two of the entrants were awarded certificates of merit which is considered very creditable in view of the comparative smallness of the numbers eligible.

It is gratifying to record that pupils who have left the school to join the Royal Navy, for instance, or to go to school in England, are reported as being well up to the standard of work required and able without difficulty to take their places amongst children of the same age at home.

X.—LANDS AND SURVEY.

Practically the entire lands of the Colony are given over to sheep-farming and are in the possession of private persons who for the most part enjoy a freehold either absolute or under purchase from the Government by annual instalments. Certain areas reserved by the Crown are leased on short tenure for a like purpose. No waste lands are available for occupation or development and lands of any description are difficult to acquire and then only by special treaty. The Colony has never been surveyed in any detail, and the charts of its coast are somewhat antiquated although they cannot be termed inadequate.

XI.—LABOUR.

During 1930 no unemployment occurred, the balance between supply and demand being very evenly kept, except during the winter months when the severity of the weather interfered considerably with outdoor work. As in the years immediately preceding, wages on the farm stations ranged from £5 to £8 a month with quarters, fuel, meat, and milk found. Labourers in Stanley were paid from £10 a month, or 1s. 2d. an hour, and artisans from £10 to £20 a month, or 1s. 7½d. an hour. Wages of domestic servants varied from £3 to £4 a month with all found. In Stanley employment is almost solely at the disposal of the Government and the Falkland Islands Company and, as both the Government and the Company again had an unusual amount of work in hand during the year, labourers found little difficulty in earning good wages. It should be borne in mind, however, that the amount of work that has been available recently is more than can normally be expected, and is likely to decrease rather than to increase in the near future. The Falkland Islands Sealing Company employed a number of men during the season at their land-station in Port Albemarle.

XII.—MISCELLANEOUS.

The outstanding event of the year in the general life of the Colony was the success of the Falkland Islands team in winning the Junior Kolapore Cup at Bisley in July. The team also was placed third in the Junior Mackinnon competition. This success crowning three years of continued endeavour was greeted with enthusiastic delight and in Stanley unprecedented scenes of public rejoicing took place when the news became known and when the team returned.

Rifle shooting may be described as the national sport of the Colony and on this account the achievement has given rise to reactions of high moral value among all sections of the community.

The Defence Force Rifle Association, which is affiliated to the National Rifle Association, held its third annual meeting on the Stanley ranges in February. Although the programme was considerably impeded by the bad weather conditions prevailing, the meeting was again most successful from the point of view of the high standard of sportsmanship and marksmanship displayed.

Visits were paid to Stanley by His Majesty's ships of the America and West Indies Squadron, *Delhi* in March, *Dragon* in July, and *Danae* in December. H.M.S. *Danae* also visited Port Edgar on the West Falkland and was present in Stanley at Christmas thus adding to the enjoyment of the annual race and gymkhana meeting. As usual these visits were most popular and lent much life to the town. Advantage was taken of the stay in harbour of H.M.S. *Delhi* and H.M.S. *Danae* to carry out tactical exercises between the local Defence Force and landing parties from the ships. It is gratifying to record that on both occasions the Defence Force acquitted themselves with great credit and were warmly commended by their opponents.

The Boy Scouts and Girl Guides movements, with the personal support of His Excellency the Governor, continued their valuable work during the year. Further headway was made under the auspices of the Local Association of the latter movement towards the establishment in the islands of a home-spun industry. A considerable number of spinning wheels have been distributed through this agency both in Stanley and in the " camp " or country districts, and spinning classes have been held regularly in Stanley. It is to be hoped that the progress already made will be continued and that one day Falkland Islands products, spun and knitted or woven from wool grown in the Colony, will come to bear a distinctive name.

The children's play, written and produced by His Excellency under the style of " Zachariah Fee ", mention of which has been included in previous Reports, continued to run with undiminished popularity during the year and worthily maintained its reputation and position in the social life of the community. Over a hundred persons took part in the production which, besides providing a source of welcome entertainment during the long tedious winter evenings, afforded valuable training to a large number of children who in the ordinary course have little occasion to develop their latent talent. The proceeds of the several performances, after paying expenses, were devoted to the Governor's Charity Fund for providing clothing and comforts for the children of poorer families.

Amongst other events of interest reference should be made to the opening of the new West Store by the Falkland Islands Company and to the buiding of a floating dock by the same firm. The

floating dock has not yet been completed but satisfactory progress has been made on its construction. It is hoped that when in use it will be the means of attracting shipping and trade to the port of Stanley.

From the point of view of climate the year 1930 was remarkable for the exceptional severity of the winter. For the three months from May to August the entire Colony was in the grip of an unbroken frost which entered several inches into the ground. No abnormal drop in the temperature was recorded but the thermometer stood below freezing point almost continuously throughout this period. Little snow fell and the winter was unusually dry, as indeed was the year as a whole with the exception of the months of January, March, and December. The severe winter was followed by a mild spring, although the month of October was stormy with many wet days, and a rare spell of brilliant weather began in November and lasted into December. A total rainfall of 20.27 inches was registered as compared with 33.84 inches in 1929 and the average of 26 inches. 1.50 inches of rain fell on the 20th of December. The mean force of the wind throughout the year was 4.3 in the Beaufort scale: on 258 days a force of 4 to 7 was registered and 6 days only of calm were experienced. The prevailing direction of the wind was west and south-west. The mean temperature for the year was 41.37° F.

PART II.

THE DEPENDENCIES.

PREFATORY NOTE.

History and Geography.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on the 7th of December, 1821, and took possession of the group in the name of

King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *'Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1821 and 1821-1822 by no less than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-1824 these animals were almost extinct.

The area of the Dependencies covers 3,100,000 square miles or 1½ per cent. of the entire surface of the globe and one-fifth approximately of the total area of the British Empire. Much of it is ice-bound but there are more than a million square miles of sea readily accessible for whaling and sealing.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands in latitude 54½° South, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. The South Georgia with the South Orkneys and South Sandwich group of dependencies is bounded by the fiftieth parallel of South latitude and by the twentieth and the fiftieth meridians of West longitude and the South Shetlands and Graham's Land by the fifty-eighth parallel of South latitude and by the meridians of longitude fifty and eighty West. Both territories extend to the South Pole. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,000 square miles and is about 100 miles in length with a maximum breadth of 20 miles and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard, and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past three years by the *Discovery* Expedition.

I.—GENERAL.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners, and are governed from the Falkland Islands with a central administration in common. A resident Magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

At South Georgia which is devoted solely to the whaling industry five land stations have been established and are occupied throughout the year. A land station has also been erected at Deception Island in the South Shetlands the personnel of which arrives and returns annually with the whaling fleet. In the Dependencies other than South Georgia, however, the harbours are ice-bound for seven or more months in the year and the work of boiling down is done on board floating factories, except for the land station at Deception Island access to which is normally possible from November onwards.

At Laurie Island in the South Orkneys the Argentine Government continued to maintain the meteorological station established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and transferred by him in 1904. The Argentine Government has subsequently erected a wireless station for use in conjunction with the meteorological station.

The *Discovery* Expedition, which is conducting research mainly into whaling in the waters of the Colony and of the Dependencies, continued its operations during the year with the Royal Research Ships *Discovery II* and *William Scoresby* and at the Marine Station in South Georgia. In addition to work of a scientific nature valuable surveys of the coasts of the Dependencies were undertaken particularly in the South Sandwich group. The *William Scoresby* conveyed Sir Hubert Wilkins and his aerial expedition in the early part of the year starting from Deception Island in the South Shetlands and penetrating as far as 70° South latitude and 100° West longitude. It is satisfactory to note that the *Discovery II* is reported as being in every way suitable for the services which she has been constructed to perform and that no difficulty was experienced in carrying out the full programme of work drawn up for the year.

II.—FINANCE.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1930 to £84,547. The local expenditure was £21,597, leaving a surplus of £62,950 which, in accordance with the provisions of Ordinance No. 6 of 1924, was transferred to the Research and Development Fund.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1926	221,595	100,325
1927	206,059	111,306
1928	194,153	122,102
1929	122,814	39,385
1930	84,547	21,597

The total amount of the surplus assets standing to the credit of the Research and Development Fund at the 31st of December, 1930, was £468,109. There is no public debt.

The legal tender currency is British sterling and Falkland Islands notes.

III.—PRODUCTION.

Apart from sealing on a small scale whaling is the only industry in the Dependencies and whale and seal oil and by-products of the whale, such as guano, their sole produce. The whaling season in the Dependencies is restricted to the period from 16th September to the 31st May annually, while sealing operations are carried on at South Georgia from the 1st March to the 31st October.

At South Georgia the weather during the whole of the 1929-1930 season was abnormally mild. The winds were invariably from a northerly direction and there was little or no ice. Operations commenced during the latter part of September and continued until the end of April when all companies closed down. Five companies operated as against six in the 1928-1929 season. The total catch of whales amounted to 4,210 of which 11.7 per cent were Blue and 80.8 per cent Fin whales. Compared with the catch of the preceding season this shows a decrease of 923 whales which is mainly attributable to the fact that the *Thor I* did not operate at South Georgia. Allowing, however, for the absence of the *Thor I* the total catch shows a decrease of approximately 400 whales, confined entirely to the Blue species the catch of which numbered 492 as against 1,564 in the previous season. The catch of Blue whales is the lowest recorded since the year 1912. The yield of oil amounted to 242,950 barrels or a decrease of 97,550 as compared with the production in 1928-1929. The decrease is accounted for in large measure by the extraordinary scarcity of Blue whales and by the fact that the factory *Thor I* did not work.

On the whole the season at South Shetlands and South Orkneys was good. The weather during the latter part of the season at South Shetlands was very boisterous and whaling was rendered difficult. Both catch and production show a marked decrease but this is due to the fact that the catch of four factories which operated last season is not included in the figures of the present year, as these factories conducted operations outside the Falkland Islands sector.

At the South Sandwich Islands the season was remarkably good. The catch and production show an increase over those of the previous season but the percentage of Blue whales was considerably lower being 64 per cent as against 90.88 per cent in 1928-29.

The following table gives the comparative catch and production during the past five years :—

Season.	*Actual whales killed.*	*Barrels of oil produced.*	*Average number of barrels per whale.*
1925–26	13,188	723,831	54·88
1926–27	10,631	729,891	68·56
1927–28	10,220	787,826	77·08
1928–29	13,514	1,047,142	77·48
1929–30	10,725	759,947	70·85

The total number of bags of guano manufactured during the season 1929-1930 was 249,784 as compared with 254,901 in the previous season. The estimated value of the guano produced was £249,784.

Sealing operations in 1930 yielded 10,616 barrels of oil as compared with 9,224 in 1929. The average quantity of oil produced from each seal was 1.8 barrels, or, in other words, rather more than three seals went to the ton.

The market price of whale oil—that of seal oil being slightly higher—stood nominally at £25 a ton during the season, with a tendency to fall to £23 a ton or even lower. The enormously increased production made in the past two or three seasons by the ever-growing fleet of pelagic factories have resulted in an inevitable glut and consequent selling depression.

An export duty is payable on whale and seal oil at the rate of 2s. a barrel, or 12s. a ton, and on guano at the rate of 1½d. per 100 lb.

IV.—TRADE AND ECONOMICS.

The value of the total trade of the Dependencies in 1930 was £3,226,002, of which £499,829 represented imports and £2,726,173 exports. Of the imports, coal, coke, and oil fuel accounted for £252,867, hardware and machinery £114,319, and provisions £48,190. The exports of whale and seal oil amounted to £2,504,617, and of guano and bone meal £219,399.

The following table gives the comparative value of the trade of of the Dependencies during the past five years :—

	Imports.	*Exports.*	*Total.*
	£	£	£
1926	530,017	4,160,743	4,690,760
1927	537,060	3,877,565	4,414,625
1928	436,019	3,763,149	4,199,168
1929	626,746	5,164,709	5,791,455
1930	499,829	2,726,173	3,226,002

The decrease in the value of the export trade is due solely to the fall in the market price of whale and seal oil.

Of the imports the bulk of the coal is obtained from the United Kingdom, and of the machinery, equipment and provisions from Norway. The exports of whale and seal oil and guano are sold on the European market in large measure to Norway, Holland and Germany, but the consumption in the United Kingdom is not inconsiderable. The firm of Lever Brothers of Port Sunlight owns the Southern Whaling and Sealing Company, which operates from a land station in South Georgia and with a floating factory expedition, and utilizes the produce for the purpose of its manufactures. The South Georgia Company, which operates similarly from a land station and with floating factories, is also British, being owned by Messrs. Salvesen and Company, of Leith. British capital has acquired recently further large holdings in the Anglo-Norse and Hektor Whaling Companies, and has interests in several other Companies.

V.—COMMUNICATIONS.

As stated in a previous Section of this Report, communication of a regular nature, more or less, between South Georgia and Stanley and once a year between the South Shetlands and Stanley is maintained by the s.s. *Fleurus*, of the Tonsberg Whaling Company, running under contract with the Government.

During the whaling season direct sailings between Europe and South Georgia in either direction are not infrequent and there is a fairly reliable service between Buenos Aires and Grytviken, furnished by the motor auxiliary s.v. *Tijuca*, of the Compania Argentina de Pesca. The vessels of the South Shetlands whaling fleet call, some at Stanley and some at South Georgia, on the way down to the fishing grounds in October and November, and on the return voyage in April and May.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys. There are no railways or roads in the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1930 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	63	124,388	—	—
Foreign (mostly Norwegian) ...	79	103,708	3	2,202
	142	228,096	3	2,202

VI.—JUSTICE, POLICE, AND PRISONS.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to the Dependencies. During 1930 only one case of serious crime came before the Courts; the person accused, of homicide, was discharged as having acted in self-defence. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, calling seldom for the intervention of the civil authorities, a fact which in itself speaks highly for the discipline maintained by the managers of the several stations.

VII.—PUBLIC WORKS.

No public works of importance were carried out by the Government during the year, but a concrete tennis court for use of the officials was completed.

VIII.—PUBLIC HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness, with occasional outbreaks of beri-beri, is caused by the lack of fresh foodstuffs.

No medical officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies, and at Deception Island a very efficient hospital is kept in commission during the season by the Hektor Company.

The population of South Georgia fluctuates with the seasons of the whaling industry. During the summer it approximates to 1,500, practically all males, and during the winter to one-third of that number. The British inhabitants of South Georgia do not exceed one hundred, the remainder being almost exclusively Norwegian or of Scandinavian origin.

The number of deaths reported during the year was nine, as against fourteen in the previous year.

IX.—EDUCATION.

There are no children in the Dependencies and the problem of education does not therefore arise.

X.—LANDS AND SURVEY.

All the land in the Dependencies is owned by the Government. At South Georgia five land stations have been established by whaling companies, sites of 500 acres in extent being taken up for

periods of twenty-one years at annual rentals of £250; some of these leases have been temporarily renewed. There are also five unoccupied leaseholds upon which rental is paid. Land stations have been similarly established at Deception Island in the South Shetlands and on Signy Island in the South Orkneys.

The mineral potentialities of South Georgia have yet to be determined and no attempt has been made hitherto to exploit them. No detailed survey of the lands has been undertaken and the charts of the coasts are of necessity very incomplete. Much information has been obtained, however, by the vessels of the whaling fleet, and of recent years the *Discovery* Expedition has undertaken a valuable series of detailed surveys of the harbours of South Georgia, and has also made extensive revisions of such charts as exist of the South Sandwich group and of the South Shetlands and Graham's Land.

XI.—LABOUR.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms from Norway. The bonus system on production is generally in vogue, the wages of an ordinary labourer ranging from £10 to £15 a month with all found. The personnel of the several stations and expeditions for the most part arrive and depart with the whaling fleet at the beginning and the end of each whaling season. No labour troubles requiring the intervention of the Government occurred during the year.

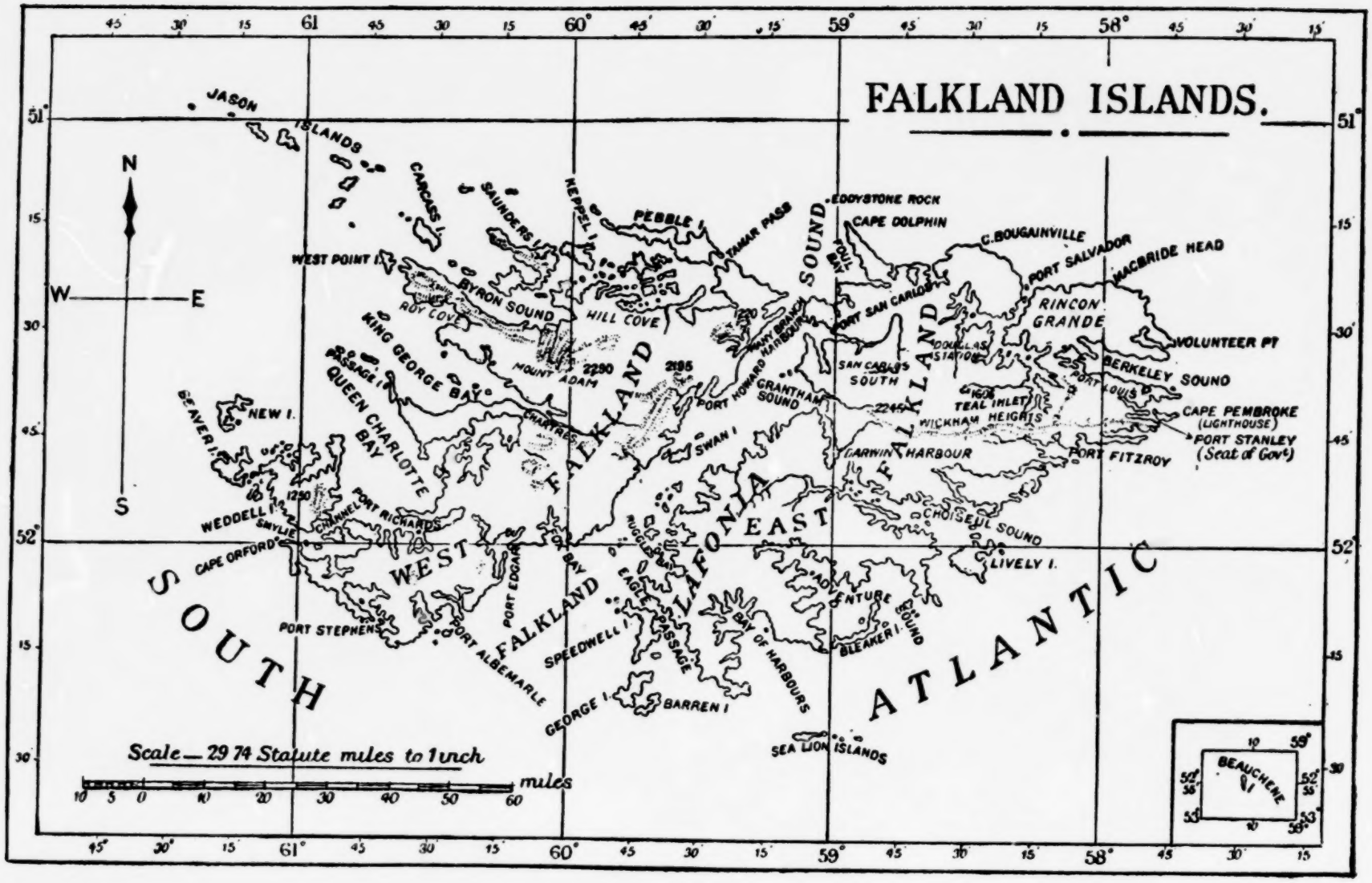
XII.—MISCELLANEOUS.

The third annual meeting of the South Georgia Sports Association—otherwise styled the Antarctic Sports—was held at Stromness in February by courtesy of Captain Sørlle, of the Vestfold Whaling Company. The meeting was crowned with full success and the increasing popularity of the Sports is in itself a sufficient tribute and reward to those responsible for their inception, primarily His Excellency A. W. Hodson, Esquire, C.M.G., and for their organization, the resident managers of the whaling stations in the Dependency. The arrangements made for the conduct of the sports were carried through without a hitch, and some excellent performances were recorded on the part of competing teams and individuals.

The Colonial Secretary paid an official visit to South Georgia in April and was enabled to call in turn at all the whaling stations with the exception of Prince Olaf.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch, and known locally

as the " Sewing-Machine," at the approach to Port Foster, was disturbed, and in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-1929 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. On the 13th December a further shock occurred, and from that date to the end of the year slight tremors continued to be felt. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.



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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1931.

TABLE OF CONTENTS.

Chapter.		Colony Page.	Dependencies. Page.
I.	Geography, including Climate and History	2	21
II.	Government	4	23
III.	Population	5	23
IV.	Health	5	24
V.	Housing	7	24
VI.	Production	8	24
VII.	Commerce	9	25
VIII.	Wages and Cost of Living	11	26
IX.	Education and Welfare Institutions	12	27
X.	Communications and Transport	13	27
XI.	Banking, Currency, Weights, and Measures	15	28
XII.	Public Works	16	28
XIII.	Justice and Police	17	28
XIV.	Legislation	18	29
XV.	Public Finance and Taxation	20	29

PART I.—THE COLONY.

CHAPTER I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from

the Coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called "stone runs" the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about twelve hundred inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting twenty-four hours.

The Falkland Islands, called by the French "Isles Malouines" and by the Spaniards "Islas Malvinas," were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they re-named Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

CHAPTER II.

GOVERNMENT.

At the head of the Government of the Colonies is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. There is also a Legislative Council composed of four official and two unofficial

members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local Government in the Colony.

CHAPTER III.

POPULATION.

The inhabitants of the Falkland Islands are of European and chiefly of British descent, in which Scotch blood is marked. There is no indigenous or native population.

The 1931 census shows the total population as amounting to 2,392, compared with 2,094 in 1921 and 2,043 in 1901. Of this number 1,358 are males and 1,034 females. The density of the population is thirty-seven to the square mile. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between Darwin and Lafonia to the south of the East Falkland, the northern districts of the East Falkland and the West Falkland. The number of births registered in 1931 was fifty-five, and of deaths twenty, or, respectively, 22·77 and 8·28 per 1,000. Eighteen marriages were celebrated during the year. The infantile mortality rate is recorded as 36·36 per 1,000 births of children under one year. One hundred and thirteen persons arrived in the Colony and one hundred and thirty persons left in the course of the period under review.

CHAPTER IV.

HEALTH.

The general health of the community is good and there were no epidemics or serious outbreaks of illness during the year. Malaria and other insect-borne diseases are unknown in the Colony. Appendicitis, tuberculosis, and bronchial complaints are the principal disorders from which the population suffers. Venereal disease is unknown and every precaution is taken against the possibility of its introduction.

There is a difficulty in regard to food which is never one of quantity, while the quality of that which is available is excellent; nevertheless the diet is ill-balanced, a circumstance which is probably the chief cause of appendicitis and the invariable condition of bad teeth found accompanying it. Gardens are cultivated but insufficient attention is paid to the production and consumption of green vegetables. The necessity of adding lime to the soil must be emphasized. Fruit is not grown in the Colony; the supply is irregular and inadequate and the loss in importation inflates the cost.

The dental condition of the population is improving and that of the children in particular probably at no time has been better.

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Much work remains, however, to be done. All children of sixteen years and under receive free treatment and advice from the dental surgeon maintained by the Government who makes frequent visits of inspection to the schools in Stanley and periodical tours of the out-districts.

Vaccination is compulsory and most of the children have been vaccinated during the past three years. The requirements of the law in regard to vaccination is borne specially in mind during medical inspection of the schools and appropriate action is taken when defaulters are discovered.

Three fresh cases of tuberculosis were notified during 1931 and there were four deaths from this disease, which is not of recent origin in the Colony but is more widely distributed than has been hitherto suspected. It does not appear, however, that its incidence is increasing, or at least with such rapidity as to be noticeable or alarming. Modern hygiene and improved housing conditions, to which reference is made in the next chapter of this Report, may be expected to do much towards correcting the progress locally of tuberculosis.

Twenty-seven cases of appendicitis came under operative treatment in 1931.

As the winter of 1931 was exceptionally fine there were fewer cases of bronchitis and bronchial troubles than usual. A mild epidemic of acute nasal catarrh was experienced in the autumn.

The Government maintains out of public funds a hospital in Stanley under the style of the King Edward VII Memorial Hospital. It was built in 1914 and has been recently reconditioned and brought thoroughly up to date. Among the equipment is a portable X-ray apparatus and an artificial sunlight lamp. The hospital contains twelve beds and besides an out-patient department, nurses' quarters, and a laboratory, has a fully furnished operating theatre, a model of its kind. The staff includes the Principal Medical Officer, a Medical Officer, a Nurse-Matron, and a qualified Nursing Sister in addition to junior nurses locally recruited and trained. The Principal Medical Officer and the Medical Officer make tours of the Camp stations from time to time. It is to be observed in this connexion that the Falkland Islands Company, Limited, maintain their own Medical Officer at Darwin, as do the West Falkland farmers, with assistance from the Government, at Fox Bay.

Ante-natal and child-welfare services are provided at the hospital and the increasing number of patients indicates that these services are appreciated.

During the year 1931, 179 persons were treated as in-patients and there were 1,061 out-patients with a total attendance of 2,096. Forty-three surgical operations were performed with good results. Three deaths occurred in the hospital.

Mention must here be made of the generous gift to the hospital of the sum of £200 by John Hamilton, Esquire, of Weddell Island. This money was expended on the purchase of five hospital beds of a modern type, two invalid chairs, an instrument cabinet, dressing trolly, anaesthetist's stool, clock, medical reference books and a diagnostic case. The gift has been greatly appreciated by the patients and by the staff.

Sewage in the town of Stanley is disposed of partly by water-carriage system and partly by earth-closet method. The water-carriage system has been constructed during the past seven years and is still being extended; it remains now for the inhabitants to take greater advantage of the facilities supplied. The night soil from the earth-closets is removed by special carts under the control of the Public Works Department.

The water-supply is wholesome and satisfactory. Water is brought by pipe-line a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains are being steadily extended and already serve the major portion of the town. In like manner the recent improvements to Stanley have included a great advance in the construction of roads, both old and new, and the necessary attendant drains.

Slaughter-houses in the town are required to comply with a standard laid down by the Board of Health, of which the Principal Medical Officer is *ex officio* Chairman, in regard to construction, drainage, and water-supply. Meat for human consumption is inspected at regular intervals by the Veterinary Officer and by the Sanitary Inspector. The supply of milk is similarly supervised by the Board of Health. Samples of milk are taken from time to time and are tested. An improvement in the samples is noticed and with a view to continued improvement in this respect the regulations regarding the sale of milk have been made more stringent.

Bi-annual rat weeks are held and have achieved considerable success in clearing rubbish dumps, waste-lands, and the foreshore from rats. Owners and occupiers of private premises are obliged to take steps to exterminate rats and mice on their premises.

CHAPTER V.

HOUSING.

The housing problem in the town of Stanley which until recently presented a serious aspect has been tackled in so vigorous and practical a manner as, for the time being at any rate, virtually to have been solved. In general terms the housing of the people may be said to be fully satisfactory. Little over-crowding exists, if any, and the rate of building is adequate to immediate needs. The extensions to the drainage and sewerage systems and to the water-supply to which reference has been made in the previous

chapter have helped considerably to raise the standard of living and the health of the residents.

A large number of the wage-earning population own their own houses and building loans are made in suitable cases by the Government to facilitate the construction of new houses. The Government has also built a number of model dwellings for work-people for sale on easy terms of purchase. The Government maintains furthermore sufficient accommodation for its officials and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

Power is vested in the Board of Health to ensure a proper standard both as regards the construction of new houses and the sanitary condition of existing houses. In case of need power obtains also to condemn premises as unfit for human occupation. As has been already stated, much progress has been made in this direction of recent years and steady progress continues to be made.

CHAPTER VI.

PRODUCTION.

For practical purposes wool is the sole product of the Colony at the present time. It is all exported in the grease to London; when prices are profitable skins and tallow are also shipped together with a limited quantity of hides. Sheep are run on farms varying approximately in extent from one hundred thousand acres to one hundred and fifty thousand acres and carrying on the average between twenty thousand and thirty thousand sheep, or, say, five acres to one sheep.

No statistics are kept of the actual quantity of wool produced in any one year as distinct from the quantity exported, but it may be taken that the production of wool over the five-year period ended on 31st October, 1931, was four million pounds annually as compared with four and a quarter million pounds annually over the previous quinquennial period. While this tendency towards reduced production is due in part to the depleted condition of the pastures, by reason of earlier over-stocking, it is also in part attributable to the measures initiated by the landowners themselves to conserve the productive value of their farms by reducing the number of sheep carried to the level the land can most economically support. Closer attention is being paid generally to selective breeding and it is becoming apparent that any loss in yield is on a fair way to compensation by gain in class.

The actual return of wool exported during 1931 is just under four millions pounds, to a value of £125,000, from which figures it will be seen that the average price realized was between 7½d. and 8d. a pound as against an average price of from 9d. to 10d. a pound in 1929. The fall in price is due to the slump in world prices but it is satisfactory at least to note that Falkland Islands wool

continues to hold its market : with the advent of better times the industry should be in a position to make a ready return to prosperity.

Seal Oil.—The Falkland Islands Sealing Company, Limited, which is of recent incorporation and has confined its activities hitherto to the production of oil from hair seal, was unable to continue operating in 1931 on account of unfavourable market conditions, the price of whale and seal oil having dropped to £15 a ton or even below that figure, and there remaining on the hands of the Company considerable stocks unsold from the previous season. From the point of view of production the prospects of the Company are encouraging but its financial outlook gives cause for anxiety in the absence of a sharp recovery in demand and in prices.

General.—Apart from the commodities above described the Colony has no resources of known commercial value. Agriculture can hardly be said to exist, although it is of interest to observe that the acreage under cultivation, mainly of forage crops, is increasing. There are no forests and no fisheries, while mineral deposits suitable for working have yet to be discovered.

CHAPTER VII.

COMMERCE.

The aggregate value of trade for the year was £257,728 as compared with £330,386 for the previous year. Imports showed a decrease of £5,670 and exports of £66,988.

The following table shows under the principal heads the respective values for the past five years :—

Imports.	*1927.*	*1928.*	*1929.*	*1930.*	*1931.*
	£	£	£	£	£
Food, drink, and tobacco ...	70,302	45,568	43,850	44,584	40,267
Raw materials and articles mainly unmanufactured.	28,056	22,289	17,944	13,057	12,093
Articles wholly or mainly manufactured.	75,240	74,338	95,281	53,613	56,965
Miscellaneous and unclassified	715	2,973	4,073	5,191	1,415
Bullion and specie	25	1,900	—	—	35
Total imports	£174,338	147,068	161,148	116,445	110,775

Exports.	*1927.*	*1928.*	*1929.*	*1930.*	*1931.*
	£	£	£	£	£
Wool	236,028	280,770	236,992	190,943	125,818
Hides and skins	10,713	13,332	13,029	14,704	8,941
Tallow	860	1,016	1,529	722	1,860
Live stock	—	600	—	473	—
Seal oil	—	—	16,423	5,920	—
Bullion and specie	—	—	—	—	8,000
Other articles	332	593	897	1,179	2,334
Total exports	£247,933	296,311	268,870	213,941	146,953

The decrease in the value of the wool exported is due entirely to the fall in market prices, the actual quantity shipped exceeding the quantity shipped in 1930. No seal oil was exported by reason of the uneconomical prices obtainable.

Imports.

The principal articles imported during 1931 were, in value :—

	£
Provisions	25,667
Hardware, etc.	22,467
Drapery, etc.	8,769
Timber	8,168
Paints, etc.	6,057

and in quantities :—

Beer	23,087 gallons.
Spirits	2,657 gallons.
Tobacco	9,871 pounds.
Matches	1,751 gross.

There is no appreciable difference as compared with 1930 in the value or the volume of the import trade of the Colony, decreases under provisions, timber, and spirits being counter-balanced by almost equivalent increases under hardware, drapery, and beer. The decrease in the quantity of timber imported is to be attributed to the reduced programme of building undertaken by the Government after a period of extraordinary activity in this direction.

Approximately 81 per cent. of the total imports came from the United Kingdom as compared with 82·9 per cent. in 1930. The countries of origin were as follows :—

	£
United Kingdom	89,126
Other parts of British Empire	—
Total from British Empire	£89,126
Uruguay	11,493
Chile	5,295
Argentine	3,597
United States	429
Other countries	835
Total from foreign countries	£21,649

The only noticeable feature in regard to the course of the import trade is the increase in the value of commodities, principally fresh food-stuffs, obtained from Uruguay, £11,493 as against £8,603 in 1930. This increase is due no doubt to the improved facilities for communication between Stanley and Montevideo to which reference is made in another chapter of this Report.

Exports.

Almost the entire export trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being inconsiderable, i.e., a total value of £855. The following is a comparative table showing the quantities exported during the past five years :—

	1927.	*1928.*	*1929.*	*1930.*	*1931.*
Wool (*lb.*)	3,972,509	3,929,487	4,068,057	3,690,572	3,931,593
Tallow (*lb.*)	96,320	144,480	274,400	158,368	275,520
Hides and sheepskins (*number*).	79,300	52,191	57,489	52,091	73,566
Seal oil (*barrels*) ...	—	—	2,657	2,424	—

With the exception of seal oil, these figures are well up to the five years' average and call for no special remark.

CHAPTER VIII.

WAGES AND COST OF LIVING.

No change occurred during 1931 in regard to rates of wages or hours of work. Labourers in Stanley were paid from £10 to £12 a month, or 1s. 2d. an hour, and artisans from £10 to £20 a month, or 1s. 7d. an hour. The hours of work were eight hours a day with a total of forty-five hours a week. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company and, if it had not been for the extensive works undertaken by the Government, unemployment would have been very severe. Actually, although from time to time a considerable number of men were seeking employment there was little, if any, distress.

On the farm stations wages ranged from £5 to £8 a month with quarters, fuel, meat, and milk found. Wages of domestic servants both in Stanley and in the Camp varied from £3 to £4 a month with all found.

The staple foodstuffs of the population, including general labourers, are the same essentially as in the United Kingdom, namely meat, (mostly mutton), bread, sugar, and tea. Mutton costs 3d. a pound, bread 1s. a four-pound loaf, sugar 3d. a pound, and tea 2s. 3d. a pound. Taking £2 10s. a week as an average rate, a labourer's wages are equal to fifty loaves. The cost of living for officials from the United Kingdom is moderate but high prices can only be avoided, generally speaking, by adherence to a diet strictly limited in variety ; many of the more usual amenities of life are either wanting or difficult to obtain. No hotels exist in Stanley in the accepted sense of the term, but there are several boarding houses which offer a reasonable degree of comfort and convenience for residents and for occasional visitors with charges ranging from £1 10s. to £3 3s. a week. Houses, if not provided by the Government, are hard to find and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

CHAPTER IX.

EDUCATION AND WELFARE INSTITUTIONS.

Schools.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two-year course of more advanced study. A scheme instituted in 1924 further provided for children from the country districts to be boarded and lodged in a Government hostel and taught in the school at an inclusive charge of 10s. a month during residence or, alternatively, for grants from Government funds not exceeding two-thirds of the cost of board and lodging for the children in private houses. In 1929 it was decided that the hostel had not received sufficient support to justify the cost of maintaining it, and the institution was closed down. It is a matter of regret that this attempt to give children in the country districts the benefit of schooling in Stanley has had to be abandoned. The maintenance grants are, however, still being continued.

There are no facilities in the Colony for higher or vocational education.

There are no institutions, orphanages, or Poor Law institutions, and no legislative provision for maintenance in the event of accident, sickness, or old age; such philanthropic services as are necessary in the community are rendered direct by the Government or are included in the ministrations of the Churches.

Sport.

Encouragement is given in all ways practicable to sport and recreation, both indoor and outdoor. Rifle shooting may be well described as the national sport of the Colony, and the Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting at Stanley on the lines of those held at Bisley. The achievement of the Falkland Islands team in winning the Junior Kolapore Cup at Bisley in July, 1930, has added a new stimulus and has given rise also to moral reactions of much value. Other branches of sport, such as football and badminton, flourish under the aegis of the Defence Force and opportunities for tests of strength with visiting opponents, principally the crews of His Majesty's ships of the South American Division, are eagerly awaited. Stanley boasts a golf club with a good membership and an interesting nine-hole course, which receives constant attention with a view to its improvement. A ladies' hockey club also functions enthusiastically.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey, and gymnastics as well as the formal Swedish drill.

The newly constructed Public Baths and Gymnasium have proved themselves immediately to be a most popular institution and have become a central feature of the life of the town. The construction of a swimming bath would be an additional boon to the community and the matter is receiving such consideration as circumstances permit.

General.

The Town Hall, Stanley, contains a large stage which is fitted with modern appliances for theatrical productions including a draw curtain and lighting effects. It can seat an audience of five hundred people in comfort and safety. Productions and concerts are given from time to time, the most recent and widest famed being the children's fantasia "Zachariah Fee," which enjoyed a run of three years. Plays such as this not only provide a welcome source of entertainment during the long winter evenings, but also afford valuable training to the large number of children and young persons who otherwise have little or no occasion to display and to develop their natural talent.

The boy scouts and girl guides movements, together with their dependent cubs and brownies, continued their useful work during 1931 as in past years. Measures have been initiated furthermore in conjunction with the latter movement to establish a home-spun industry in the Islands.

Under the auspices of the Falkland Islands Horticultural Society a Flower Show and Industrial Exhibition is held in the late summer whenever weather and general conditions are favourable. Special classes are included for the arts and crafts. The 1931 Show and Exhibition marked a revival after a lapse of some years and was supported in a sufficient measure to warrant expression of the hope that it is the precursor of a regular and successful series.

CHAPTER X.

COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Montevideo, to which port a service is maintained in accordance with actual requirements by the s.s. *Lafonia*, a vessel of some six hundred tons dead weight, belonging to the Falkland Islands Company and running on a mail contract for a period of five years from October, 1931. In addition, calls are made at Stanley by cargo vessels of the Pacific Steam Navigation Company. Since the opening of the Panama Canal the passenger vessels of this Company have visited the Colony at increasingly rare intervals

and recently they have arrived once only in the year in the course of a tourist cruise round South America; the calls of the cargo vessels tend likewise to become more irregular and infrequent partly on account of the depression in trade. At the beginning and the end of the whaling season in October and April opportunities occur from time to time for the transport of mails, and, by special arrangement, of passengers, in the floating factories which pass through Stanley on their way to or from the fishing grounds at Graham's Land and the South Shetland Islands. The distance from Stanley to Montevideo is rather more than a thousand miles and the time taken on the voyage varies, according to the class of vessel, from three to five days. The usual period occupied in the transit of mails to and from the United Kingdom is four weeks via Montevideo; by the direct route the passenger vessels complete the journey in twenty-six days and the cargo vessels require upwards of a month on the voyage home, which is performed almost invariably from Stanley to London without intermediate stop, and on the outward voyage upwards of five weeks dependent on the number of calls made. Outward-bound these vessels carry general cargo but homeward they are fully laden with wool for the home market.

On the average, opportunities for the receipt and despatch of mails are available monthly. In the early part of the year the homeward sailings are usually more frequent but during the winter months, from May to October, the intervals are sometimes as long as six weeks.

Communication with the Dependency of South Georgia is maintained by the s.s. *Fleurus* of the Tonsberg Whaling Company with the aid of a subsidy from the Government. The schedule of sailings for the current year provides six return voyages between Stanley and Grytviken; in other years when whaling operations have been in progress in the South Shetlands a voyage has been made additionally to Deception Island.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained direct with London, Bergen, Montevideo, and Magallanes, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency. Telegraph charges to the United Kingdom are 1s. 4½d. a word. There are no submarine cables in operation. The postal rate of one penny per ounce for letters to the United Kingdom and the Empire still remains in force.

There are no railways in the Colony and no roads beyond the town of Stanley and its immediate vicinity. Internal communication is carried out on horseback or by boat; caterpillar cars and lorries can be taken over considerable stretches of the Camp but their use as yet has hardly progressed further than the experimental stage.

The inter-insular service alike for passengers and for mails devolves principally on the s.s. *Lafonia*, facilities being arranged

as far as practicable so as to afford connexions with in-coming and out-going sailings for overseas. There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use. Many of the farmers have their own lines which join up with the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government also maintains a small wireless station for the purpose of inter-insular traffic. Two farm stations have constructed wireless stations of low power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands; nor have the means of aerial travel hitherto been introduced although the possibilities in the latter direction would seem certainly to warrant investigation.

Statistics of sufficient interest in regard to communications and transport generally are not available but the following table shows the number, the nationality, and description of the vessels which entered the Colony from overseas during 1931 :—

Nationality.	*Steam Vessels.*	*Tonnage.*	*Sailing Vessels.*	*Tonnage.*
British	18	41,999	6	301
Foreign	1	358	—	—
	19	42,357	6	301

CHAPTER XI.

BANKING, CURRENCY, WEIGHTS, AND MEASURES.

The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on 30th September, 1931, the total sum deposited was £159,961, and the number of depositors 1,029. The average amount standing to the credit of each depositor was £155 or about £67 per head of the population. There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of 1 per cent. A similar service is undertaken by the Falkland Islands Company, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and a paper currency of 10s., £1, and £5 notes issued by the Colonial Government under the Falkland Islands Currency Note Ordinance, 1930. It is estimated that on 31st December, 1930, there was £3,000 of specie in circulation. During the year the currency-note issue stood at £24,000. The system of weights and measures in use in the Colony is the same as that in use in the United Kingdom.

CHAPTER XII.

PUBLIC WORKS.

The principal new works undertaken during the year were the continued construction of the North Camp Road, the extension of the Stanley Improvement Scheme and the development of the electric lighting system. The North Camp Road leads westwards along the south side of Stanley harbour to the wireless station, a distance of approximately three miles. It will be completed early in 1932 and is the first metalled road to be built outside the limits of the town boundary. Apart from the amenities which it affords to the inhabitants of Stanley it has been instrumental in providing employment and in opening up new peat fields for the supply of fuel for Government purposes.

The Stanley Improvement Scheme was carried on in pursuance of the programme under which, at a total cost of £20,000 to be spread over four years, extensions are in progress to the roads, water-supply, and drainage in the town, and also housing improvements. During 1931 nearly a mile of main drainage was laid and about three-quarters of a mile of roads were either formed or re-formed.

The electric lighting system was considerably extended. An up-to-date generating plant was obtained and installed in a new power house situated in the centre of the town. All Government buildings and officials' quarters are now lit by electricity as well as a number of privately owned houses. The oil street lamps have been replaced by standards fitted with electric arc-lamps. The existing plant is already working at full load and as an increasing number of applications to come on to the system continue to be received facilities for the supply of additional power will be necessary in the near future.

Among other works undertaken by the Public Works Department mention must be made of the new Public Baths and Gymnasium which were commenced in 1930 and completed and opened in 1931. The baths have won immediate popularity and are proving themselves to be of inestimable benefit to the public; use is being made also of the various gymnastic appliances. The first stages of the reconditioning of the Town Hall and public offices for their better preservation were successfully accomplished. The exterior boarding is deteriorating and the north and west sides of the building were felted and covered with galvanized steel sheeting; it is proposed to treat the remaining two sides in a similar manner during the current year.

Improvements were carried out to the quarantine station and to the Government school. The cart tracks over the common land were repaired so as to facilitate the haulage of peat for householders in Stanley and the marking out of tracks to the Camp and the bridging of streams and the paving of gateways on these tracks

were continued during the year. Two bridges, one over the Antiojo River and one over the Swan Inlet Stream on the track from Stanley to Darwin, were erected by the Falkland Islands Company with the assistance of a grant from public funds. Radio-telegraph operations were transferred from the Government station at the east end of Stanley harbour to the station built by the Admiralty during the war at the west end of the harbour. Two only of the seven masts at the latter station are in actual use and these were thoroughly overhauled and painted and rigged with aerials; incidentally they both exceed three hundred feet in height. The machinery at the old station was removed and fitted for use in the new station which was wired out as required. Quarters were also altered and decorated for occupation by the operating staff.

The Public Works Department of the Colony is composed of a Director of Public Works with subordinate outdoor and clerical staff. The Electrical Department is run as a separate unit under the control of the electrician-in-charge who is responsible for the upkeep of the electric lighting system and of the telephone and broadcasting services.

The Public Works Department, in the absence of a municipality or other form of local government in Stanley, undertakes the usual maintenance services, including conservancy and water-supply, for the town. In addition, the Department has to cut and transport the considerable quantity of peat fuel which is required for Government purposes. To its charge are committed, furthermore, the general upkeep of all Government buildings and property, in particular, bridges, fences, jetties, and harbour lights. The above services were all carried out with due care and efficiency during the year.

The total expenditure incurred under the Public Works and Electrical votes was £24,451 in 1931; at the end of the year the number of men on the pay roll, exclusive of monthly employees, was more than seventy, showing an increase of twenty over the number employed at the beginning of the year. This increase is to be accounted for by the measures put in hand by the Government with the object of relieving unemployment in Stanley, for example, as already stated, on the North Camp Road.

CHAPTER XIII.

JUSTICE AND POLICE.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Judge and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with minor offences. The local Police Force consists of four constables and a chief constable and is stationed entirely in Stanley. The chief constable is also

gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is of rare occurrence. Cases of petty theft and of injury to property, however, are to be recorded from time to time. Sixteen persons were dealt with in 1931 in the Summary Court and of this number fifteen were convicted. No criminal issue came before the Supreme Court during the year, and there were no cases heard in the Juvenile Court. The problem of young offenders does not arise except in isolated cases each of which receives individual attention from the reformative rather than from the punitive point of view. No instance is on record, at any rate in recent years, in which a child or young person has been committed to prison.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition ; the health of the one prisoner incarcerated in 1931 was good during his brief sojourn in the gaol.

CHAPTER XIV.

LEGISLATION.

Eleven Ordinances were passed by the Legislative Council in 1931. In addition to the Supplementary Appropriation (1930) Ordinance No. 1, and the Appropriation (1931) Ordinance No. 9, the following measures were enacted :—

No. 2. The Pensions (Amendment) Ordinance, amending, in conformity with colonial legislation generally existing provisions in regard to the computation of pensions of re-employed pensioners and the gratuity payable to the estate of an officer who dies in the service.

No. 3. The Tariff (Amendment) Ordinance, enacting a verbal amendment only to previous legislation.

No. 4. The Summary Jurisdiction (Amendment) Ordinance, prescribing certain traffic offences in the town of Stanley, principally by drivers of motor vehicles and riders of bicycles.

No. 5. The Dog Licences (Amendment) Ordinance, providing for the issue of free licences to dogs kept in Stanley for the sole purpose of the owner's business.

No. 6. The Public Health (Amendment) Ordinance, providing power to prohibit from use buildings unfit for human habitation and enabling the medical authority to enter any building for the purpose of enforcing the Public Health Ordinance and the by-laws made thereunder.

No. 7. The Tariff (Import Duties) (Amendment) Ordinance, reducing the duty on the import of spirits from £1 10s. to £1 a gallon.

No. 8. The Arbitration (Foreign Awards) Ordinance, giving effect locally, in conformity with Imperial Legislation generally, to the provisions of the Convention on the Execution of Arbitral Awards and the Protocol on Arbitration Clauses.

No. 10. The Tariff (Export Duties) (Amendment) Ordinance, fixing the special rate of duty on export of whale oil and seal oil during the 1931–32 and 1931 seasons, respectively, at 2s. for each barrel of forty gallons.

No. 11. The Prevention of Venereal Disease Ordinance, prohibiting the landing in the Colony of any person suffering from venereal disease.

The following subsidiary legislation was brought into force by Proclamation of the Governor during the year :—

No. 1. Establishing the close season under Section 3 of the Wild Animals and Birds Protection (Amendment) Ordinance, 1913, as the period between the first day of September (*vice* October) in any year and the last day of February in the following year.

No. 3. Adding to the list of drugs scheduled as dangerous under Part II of the Dangerous Drugs Ordinance, 1925, the esters of morphine and di-hydro-morphinone and their respective salts.

No. 4. Bringing into operation the Falkland Islands Currency Notes Ordinance, 1930, as from 19th May, 1931.

No. 5. Revoking Proclamation No. 4 of 1928 prohibiting the exportation of gold coin or bullion.

An Order in Council of the Governor made the under-mentioned additions to the Schedules of the Wild Animals and Wild Birds Protection (Amendment) Ordinance, 1913, (*a*) to Schedule I of totally protected fauna, the Cocoi Heron (Ardea cocoi) and the Flamingo (Phoenicopterus chilensus), and (*b*) to Schedule II of fauna protected during the close season, the Hare, the Pampa Teal (Querquedula versicolor), and the Cinnamon Teal (Querquedula cyanoptera).

Regulations were made also under the following headings :—

(1) The Penguins (Amendment) Regulations, restricting the taking of eggs of the Gentoo penguin under licence to the period 1st to 31st October in any year.

(2) The Live Stock (Amendment) Regulations, providing that for the purpose of the Live Stock Regulations (Consolidation), 1923, sheep transhipped in South America during importation shall be treated in the same manner as sheep imported from South America.

(3) The Pensions (Amendment) Regulations, amplifying and consolidating the schedules of other Governments as classified for the purpose of the Pensions Regulations, 1928.

The Stanley Milk Supply Protection (Amendment) By-laws, passed under the Public Health Ordinance, 1894, prohibit the selling of milk and cream without a licence issuable annually by the Board of Health.

Conditions of labour in the Colony render unnecessary legislation in the nature of factory Acts; neither is there any provision on the Statute book for compensation for accidents or for sickness or old age.

CHAPTER XV.

PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1931 from all sources was £78,397, as compared with £82,812 in 1930, and from ordinary sources £51,805, as compared with £62,094 in 1930. This decrease is to be attributed generally to the falling off in customs, telegraph, shipping, and other miscellaneous receipts affected by the depression in trade. The expenditure on recurrent services was £38,977, or less by £12,828 than the revenue from ordinary sources. A sum of £13,690 was spent, however, under Public Works Extraordinary, the net excess of £862 being necessitated by the measures undertaken to relieve unemployment and being met from the available floating balances. In addition, a further amount of £20,009 was put to the Reserve Fund during the year. As compared with 1930 the ordinary expenditure showed a decrease of £151, a testimony in itself to the manner in which all departments in the administration continued their loyal co-operation in the rigid application of the policy of "economy with efficiency."

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1927	50,318	62,069	38,764	50,814
1928	51,011	73,957	55,329	68,903
1929	66,650	73,599	46,000	59,041
1930	62,094	82,812	39,128	69,979
1931	51,805	78,397	38,977	72,676

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1931, amounted to £274,935. The following statement shows the balances at the beginning and the end of the year :—

	1*st January.*	31*st December.*
	£	£
Land Sales Fund	229,172	235,730
Marine Insurance Fund	2,848	2,848
Reserve Fund	13,990	34,000
General Account	23,229	2,357
	£269,239	£274,935

The main heads of taxation are three, namely, Customs duties on imports, an export duty on wool and on whale oil and seal oil, and rates levied on house property in the town of Stanley; the

yield from each source in 1931 was, respectively, £7,096, £7,929, and £725. Customs duties on imports are collected only on liquor, tobacco, and matches at the following rates :—spirits 20s. a gallon, wine 3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints, malt 6d. a gallon in bulk or 6d. a dozen bottles of reputed pints, cigarettes, manufactured tobacco and snuff 4s. a pound, and matches for every gross of boxes not exceeding 10,000 matches 4s. The duty on the export of wool is at the rate of 1s. for every twenty-five pounds, and on whale and seal oil at the rate of 2s. for every barrel of forty gallons or 12s. a ton. There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

CHAPTER I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in $54\frac{1}{2}^{\circ}$ south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen

The main vegetation is some coarse grass which grows on the north-eastern side of the Island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast-line has been indifferently charted but much useful work has been done in this direction during the past three years by the "Discovery" Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1931 the average mean temperature was 35·22° Fahrenheit. Rain fell on one hundred and twelve days and snow or sleet on one hundred and thirty-three days. Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch, and known locally as the "Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928–29 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. On 13th December, a further shock occurred, and from that date to the end of the year slight tremors continued to be felt. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable

sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–21 and 1821–22 by no less than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–24 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. A new and valuable survey of the South Sandwich group was carried out in 1930 by the Royal Research ship *Discovery II* of the "Discovery" Expedition.

CHAPTER II.

GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

CHAPTER III.

POPULATION.

As has been stated in the preceding chapters, there is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is entirely resident either on the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 1,500, practically all males, and during the winter to one-third of that number. At the census taken on 26th April, 1931, the number of persons at South Georgia, including

shipping, was recorded as five hundred and sixty-three and at the South Shetlands as one hundred and forty-six ; among these one female only appears. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian or Scandinavian. Eight deaths, as compared with nine in 1930, no births, and no marriages occurred in the Dependencies in 1931.

CHAPTER IV.

HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness, with occasional outbreaks of beri-beri, is caused by the lack of fresh food-stuffs.

No medical officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies, and at Deception Island a very efficient hospital is kept in commission during the season by the Hektor Company.

Weather conditions during 1931 were uniformly bad but health conditions were, as usual, relatively good except that the constant bad weather and lack of sunshine tended to produce a state of mental depression bordering on melancholia in a number of cases.

CHAPTER V.

HOUSING.

The question of housing does not really arise in South Georgia or in the other Dependencies. All the officials are suitably housed in the quarters at King Edward Cove and the arrangements made by the whaling companies to accommodate the personnel working on their stations are fully adequate.

CHAPTER VI.

PRODUCTION.

Apart from sealing on a small scale, whaling is the only industry in the Dependencies and whale and seal oil and by-products of the whale, such as guano, their sole produce. The whaling season in the Dependencies is restricted to the period from 16th September to 31st May annually, while sealing operations are carried on at South Georgia from 1st March to 31st October.

Owing to the slump in the market price for oil, whaling operations were very closely curtailed during the 1931–32 season. No floating factories operated under licence from the Government and the land station at Deception Island remained closed, fishing being suspended entirely at the South Shetlands and also at the South Orkneys. At South Georgia two only of the five land stations worked, namely, the Compania Argentina de Pesca at Grytviken and the South Georgia Company at Leith.

So far as the catch is concerned the 1931–32 season was exceptionally good. 2,205 whales were taken as compared with 2,736 whales in the 1930–31 season, when all five land stations were working. The total catch was made up of 1,735 fin, 438 blue, 6 humpback, 16 sei, and 10 sperm whales.

The quantity of oil produced amounted to 124,337 barrels with an average per "standard whale" of 83·22 barrels. 113,420 bags of guano were also produced.

The following table shows, for comparative purposes, the actual catch, "standard whales," the oil and guano production, and the average for the past five seasons :—

Season.	*Actual Whales.*	*"Standard Whales."*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages. Oil.*	*Guano.*
1927–28 ...	3,638	3,013	303,397	168,816	100·69	56·02
1928–29 ...	5,133	3,581	340,500	244,631	95·10	68·30
1929–30 ...	4,210	2,645	242,950	242,720	91·88	91·70
1930–31 ...	2,736	2,019	188,044	181,152	93·13	89·70
1931–32 ...	2.205	1,494	124,337	113,420	83·22	75·90

The total value of the production is estimated at £339,410 of which figure £248,674 represents the value of the oil and £90,736 that of the guano.

The outlook for next season is uncertain. It is estimated that accumulated stores of oil are still considerable and, while pelagic operations may be undertaken by the floating factories on a limited scale, the land stations are less likely to operate until the depression, which has been aggravated by over-production, is relieved.

CHAPTER VII.

COMMERCE.

The value of the total trade of the Dependencies in 1931 was £2,059,855, of which £311,388 represented imports and £1,748,467 exports. Of the imports, coal, coke, and oil fuel accounted for £170,229, whale oil (for re-export) £62,303, hardware and machinery £23,651, and provisions £17,826. The exports of whale and seal oil amounted to £1,577,158, and of guano and bone meal to £163,538.

The following table gives the comparative values of the trade of the Dependencies during the past five years :—

	Imports.	*Exports.*	*Total.*
	£	£	£
1927	537,060	3,877,565	4,414,625
1928	436,019	3,763,149	4,199,168
1929	626,746	5,164,709	5,791,455
1930	499,829	2,726,173	3,226,002
1931	311,388	1,748,467	2,059,855

The decrease in the value of the import trade is due to the fact that whaling operations during the 1931–32 season, which opened in September, 1931, were conducted on a very much reduced scale. The decrease in the value of the export trade is due to the further drop in the market price of whale and seal oil and to the smaller number of floating factories operating under licence. Of the imports and of the exports alike approximately 38 per cent. of the value is obtained from or shipped to the United Kingdom and other parts of the British Empire. The bulk of the coal imported is obtained from the United Kingdom and of the oil fuel from the United States of America and Venezuela. About sixty per cent. of the hardware and machinery comes from the United Kingdom and about twenty-five per cent. from Norway, while provisions show forty-eight per cent. as consigned from the United Kingdom, twenty-seven per cent. from the Argentine, and eighteen per cent. from Norway. Whale and seal oil was exported principally to Norway, thirty-four per cent., the United Kingdom, twenty-one per cent., and South Africa (in transit) twenty per cent. British interests in the whaling industry have marked a considerable advance during the past two or three seasons.

During the year 1931 the price of whale and seal oil fell to £15 a ton and under, as against £25 or £20 a ton in the seasons immediately preceding. Even at this low figure large quantities of oil remained unsold on account of the stocks accumulated through over-production.

The industry generally is in a state of semi-suspension at the present time and it is doubtful whether it will ever be resumed on the same scale as that on which it has been carried on during the past three years. Such a contingency indeed is to be deprecated from almost every point of view.

CHAPTER VIII.

WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the wages of an ordinary labourer ranging from £10 to £15 a month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their station the question of the cost of living does not arise.

CHAPTER IX.

EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

The several whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken, so far as the serious business of the production of oil will allow, in football and in other forms of sport such as ski-ing during the deep snow of the winter months.

The fourth annual meeting of the South Georgia Sports Association—otherwise styled the Antarctic Sports—was held at Leith Harbour in February by courtesy of Captain L. Hannibal Hansen, manager for the South Georgia Whaling Company. The meeting like its predecessors was in every way successful ; the arrangements made were carried through without hitch, weather conditions were exceptionally propitious, and some excellent performances were recorded. Stromness Station were champions in all events, while the football cup was won by Leith who defeated Stromness by 5 goals to none in the final.

A winter sports meeting was also held with full success.

CHAPTER X.

COMMUNICATIONS AND TRANSPORT.

Communication of a regular nature, more or less, between South Georgia and Stanley, as has been stated in a previous chapter of this Report, is maintained by the s.s. *Fleurus* of the Tonsberg Whaling Company, running under contract with the Government. A voyage is made also once a year when whaling operations are in progress between Stanley and Deception Island in the South Shetlands group. During the whaling season direct sailings between Europe and South Georgia in either direction are in the normal course not infrequent and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the South Shetlands and of the high seas whaling fleets call at South Georgia on their way to the fishing grounds in October and on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys. There are no railways or roads in the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1931 :—

	Steam.		*Sailing.*	
Nationality.	*Vessels.*	*Tonnage.*	*Vessels.*	*Tonnage.*
British	25	107,057	—	—
Foreign (mostly Norwegian) ...	26	84,151	3	2,202
	51	191,208	3	2,202

CHAPTER XI.

BANKING, CURRENCY, WEIGHTS, AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds avoirdupois or in kilograms.

CHAPTER XII.

PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year but a new engine and plant were installed in the wireless station at Grytviken, South Georgia, where also an extension of the quarters for the operating staff was effected.

CHAPTER XIII.

JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. During 1931 no case of serious crime was brought before the Courts. Despite the trying conditions,

the personnel of the whaling industry forms a most peaceful and law-abiding community, calling seldom for the intervention of the civil authorities : a fact which in itself speaks highly for the standard of discipline maintained by the managers of the several stations.

CHAPTER XIV.

LEGISLATION.

No Ordinances were enacted and no subsidiary legislation was made during the year with special reference to the Dependencies other than the Tariff (Export Duties) Amendment Ordinance, by which the rate of duty on the export of whale oil and of seal oil was fixed at 2s. for each barrel of forty gallons during, respectively, 1931–32 and the 1932 seasons.

CHAPTER XV.

PUBLIC FINANCE AND TAXATION.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1931 to £48,133. The local expenditure was £31,129, leaving a surplus of £17,004 for transfer to the Research and Development Fund in accordance with the provisions of Ordinance 6 of 1924.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1927	206,059	111,306
1928	194,153	122,102
1929	122,814	39,385
1930	84,547	21,597
1931	48,133	31,129

The decline in the revenue figures is due to the fall in the market price of whale and seal oil, export duty on which is collected on a sliding scale, and to the smaller number of whaling factories operating under licence within the Falkland Islands sector. The reduction in the expenditure is to be attributed principally to the change effected in the system of the collection of the export duty on whale and seal oil. Formerly the duty was collected in full at a gross rate, a refund being paid on the basis of the sale value realized : under the existing system the duty is collected at a net rate assessed for the season.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1931, was £426,751, earmarked as follows :—

	£
Research and Development Fund	426,751
" Discovery " Pension Fund	3,600
General Account	9,000

The main heads of taxation are customs duties on the importation of alcoholic liquors and tobacco and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £946 in 1931 and export duties to £43,180. The customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil during the 1930–31 and 1931–32 seasons was fixed at 2s. a barrel or 12s. a ton and on guano at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

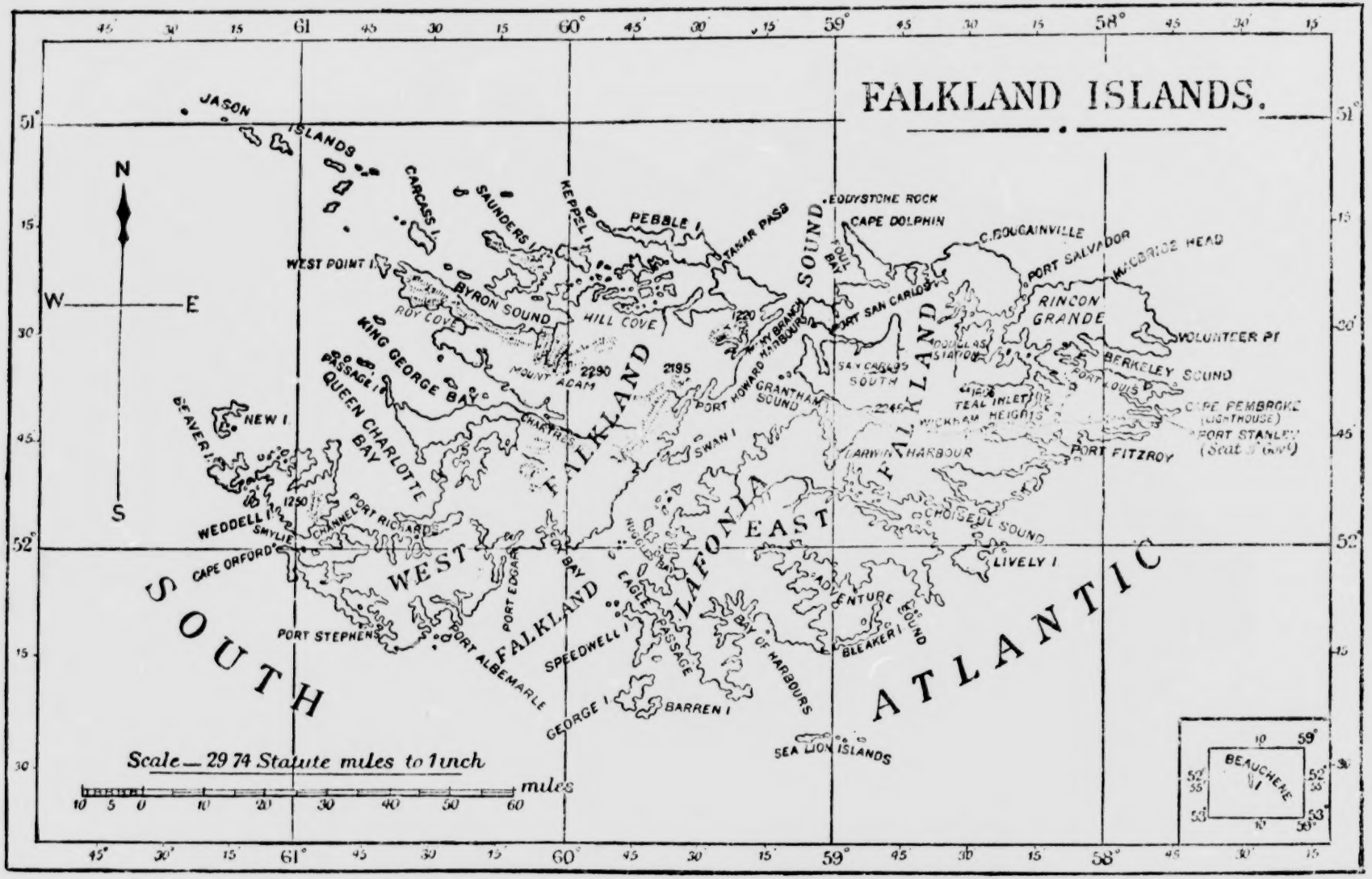

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TABLE OF CONTENTS.

Chapter.	Colony. Page.	Dependencies. Page.
I.—Geography, Climate, and History	2	20
II.—Government	4	22
III.—Population	5	22
IV.—Health	5	23
V.—Housing	8	23
VI.—Production	8	23
VII.—Commerce	9	24
VIII.—Wages and Cost of Living	11	25
IX.—Education and Welfare Institutions	12	25
X.—Communications and Transport	13	26
XI.—Banking, Currency, and Weights and Measures	15	27
XII.—Public Works	16	27
XIII.—Justice and Police	17	27
XIV.—Legislation	18	27
XV.—Public Finance and Taxation	19	27
Appendix.		
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from

the Coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called "stone runs" the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about twelve hundred inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting twenty-four hours.

The Falkland Islands, called by the French "Isles Malouines" and by the Spaniards "Islas Malvinas," were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. There is also a Legislative Council composed of four official and two unofficial members, the latter being nominated by the Crown. The Colony

received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local government in the Colony.

III.—POPULATION.

The inhabitants of the Falkland Islands are of European and chiefly of British descent, in which Scotch blood is marked. There is no indigenous or native population.

The 1931 census showed the total population as amounting to 2,392 compared with 2,094 in 1921 and 2,043 in 1901. Of this number 1,358 were males and 1,034 females. The estimated population on 31st December, 1932, was 2,428, made up of 1,366 males and 1,062 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between Darwin and Lafonia to the south of the East Falkland, the northern districts of the East Falkland and the West Falkland. The number of births registered in 1932 was fifty-one, and of deaths twelve, or respectively, 21·11 and 4·55 per 1,000. Fifteen marriages were celebrated during the year. The infantile mortality rate is recorded as 19·6 per 1,000 births of children under one year. Ninety-seven persons arrived in the Colony and one hundred and twenty-three persons left in the course of the period under review.

IV.—HEALTH.

The general health of the community continued to be good and there were again no epidemics or serious outbreaks of illness during the year. Malaria and other insect-borne diseases are unknown in the Colony. Appendicitis, constipation, rheumatism, tuberculosis, and bronchial complaints are the principal disorders from which the population suffers. Venereal disease is unknown and every precaution is taken against the possibility of its introduction.

There is a difficulty in regard to food which is never one of quantity, while the quality of that which is available is excellent; nevertheless the diet is ill-balanced, a circumstance which is probably the chief cause of appendicitis and the invariable condition of bad teeth found accompanying it. Gardens are cultivated but insufficient attention is paid to the production and consumption of green vegetables. The necessity of adding lime to the soil must be emphasized. Fruit is not grown in the Colony; the supply is irregular and inadequate and the loss in importation inflates the cost.

The dental condition of the population is improving as a result of the sustained efforts which have been and are being made. All children of sixteen years and under receive free treatment and advice from the dental surgeon maintained by the Government who makes frequent visits of inspection to the schools in Stanley and periodical tours of the out-districts.

Vaccination is compulsory and most of the children have been vaccinated during the past four years. The requirements of the law in regard to vaccination are borne specially in mind during medical inspection of the schools and appropriate action is taken when defaulters are discovered.

Four fresh cases of tuberculosis were notified during 1932 and there was one death from this disease, which is not of recent origin in the Colony but is more widely distributed than has been hitherto suspected. It does not appear, however, that its incidence is increasing, or at least with such rapidity as to be noticeable or alarming. Modern hygiene and improved housing conditions, to which reference is made in the next chapter of this Report, may be expected to do much towards correcting the progress locally of tuberculosis.

Twenty-five cases of appendicitis came under operative treatment in 1932.

Muscular rheumatism is relatively common in the Falkland Islands. The disease usually makes its appearance in those parts of the body which are exposed to strain and injury. Crippling bone and joint rheumatism is conspicuously infrequent, while rheumatic infections, such as rheumatic fever and chorea, are unknown.

The winter of 1932 was not unduly severe and possibly on this account there was no unusual incidence of bronchitis and bronchial troubles.

There were no cases of scarlatina, measles, whooping-cough, chicken-pox, or influenza. An indefinite number of cases of ringworm was reported during the year on the East Falkland. These were contact infections with cattle ringworm. The necessary curative and preventative measures have been put in hand by the departments concerned.

The Government maintains out of public funds a hospital in Stanley under the style of the King Edward VII Memorial Hospital. It was built in 1914 and has been recently reconditioned and brought thoroughly up-to-date. Among the equipment is a portable X-ray apparatus. The hospital contains twelve beds and besides an out-patient department, nurses' quarters, and a laboratory, has a fully furnished operating theatre, a model of its kind. The staff includes the Principal Medical Officer, a Medical Officer, a Nurse-Matron, and a qualified Nursing Sister in addition to junior nurses locally

recruited and trained. The Principal Medical Officer and the Medical Officer make tours of the Camp stations from time to time. It is to be observed in this connexion that the Falkland Islands Company, Limited, maintain their own Medical Officer at Darwin, as do the West Falkland farmers, with assistance from the Government, at Fox Bay.

Ante-natal and child-welfare services are provided at the hospital and the increasing number of patients indicates that these services are appreciated.

During the year 1932, 188 persons were treated as in-patients and there were 1,350 out-patients with a total attendance of 3,257. Twenty-nine surgical operations were performed with good results. Four deaths occurred in the hospital.

Sewage in the town of Stanley is disposed of partly by water-carriage system and partly by earth-closet method. The water-carriage system has been constructed during the past eight years and is still being extended ; it is satisfactory to record that the number of inhabitants taking advantage of the facilities available is steadily on the increase. The night soil from the earth-closets is removed by special carts under the control of the Public Works Department.

The water-supply is wholesome and satisfactory. Water is brought by pipe-line a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have been extended so as now to serve practically the whole of Stanley. The improvements to the system of roads in like manner have been almost completed and progress is at present being made with the construction of drains, gutters, and side-walks in the upper reaches of the town.

Slaughter-houses in Stanley are required to comply with a standard laid down by the Board of Health, of which the Principal Medical Officer is *ex officio* Chairman, in regard to construction, drainage, and water-supply. Meat for human consumption is inspected at regular intervals by the Veterinary Officer and by the Sanitary Inspector. The supply of milk is similarly supervised by the Board of Health. Samples of milk are taken from time to time and are tested. An improvement in the samples is noticed, and the regulations regarding the sale of milk have been made more stringent. There is room, however, for considerable improvement in this direction.

Bi-annual rat weeks are held and have achieved considerable success in clearing rubbish dumps, waste-lands, and the foreshore from rats. Owners and occupiers of private premises are obliged to take steps to exterminate rats and mice on their premises.

V.—HOUSING.

The housing problem in the town of Stanley which until recently presented a serious aspect has been tackled in so vigorous and practical a manner as, for the time being at any rate, virtually to have been solved. In general terms the housing of the people may be said to be fully satisfactory. Little over-crowding exists, and the rate of building is adequate to immediate needs. The extensions to the drainage and sewerage systems and to the water-supply, to which reference has been made in the previous chapter, have helped considerably to raise the standard of living and the health of the residents.

A large number of the wage-earning population own their own houses and building loans are made in suitable cases by the Government to facilitate the construction of new houses. The Government maintains also sufficient accommodation for its officials and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

Power is vested in the Board of Health to ensure a proper standard both as regards the construction of new houses and the sanitary condition of existing houses. In case of need power obtains also to condemn premises as unfit for human occupation. As has been already stated, much progress has been made in this direction of recent years and continues to be made.

VI.—PRODUCTION.

For practical purposes wool is the sole product of the Colony at the present time. It is all exported in the grease to London; when prices are profitable skins and tallow are also shipped together with a limited quantity of hides. Sheep are run on farms varying approximately in extent from one hundred thousand acres to one hundred and fifty thousand acres and carrying on the average between twenty thousand and thirty thousand sheep, or, say, five acres to one sheep.

No statistics are kept of the actual quantity of wool produced in any one year as distinct from the quantity exported, but it may be taken that the production of wool over the five-year period ended on 31st October, 1931, was four million pounds annually as compared with four and a-quarter million pounds annually over the previous quinquennial period. While this tendency towards reduced production is due in part to the depleted condition of the pastures, by reason of earlier over-stocking, it is also in part attributable to the measures initiated by the landowners themselves to conserve the productive value of their farms by reducing the number of sheep carried to the level the land can most economically support. Closer attention is being paid generally to selective breeding and it is becoming apparent that any loss in yield is on a fair way to compensation by gain in class.

The actual return of wool exported during 1932 is just under 4,000,000 lb. to a value of £110,000, from which figures it will be seen that the average price realized was rather less than 7d. a pound as against an average price of from 7½d. to 8d. a pound in 1931, and 9d. to 10d. a pound in 1929. The further fall in price is due to the continued slump in world prices but it is satisfactory at least to note that Falkland Islands wool continues to hold its market; with the advent of better times the industry should be in a position to make a ready return to prosperity.

Seal Oil.—The Falkland Islands Sealing Company, Limited, which is of recent incorporation and has confined its activities hitherto to the production of oil from hair seal, again did not operate in 1932 on account of unfavourable market conditions. The Company was successful, however, in disposing of the stocks remaining unsold from the previous season. Its prospects from the point of view of production are encouraging and given a recovery in demand and in price it may yet succeed, despite its initial difficulties, in establishing itself as a profitable concern.

General.—Apart from the commodities above described the Colony has no resources of known commercial value. Agriculture can hardly be said to exist, although it is of interest to observe that the acreage under cultivation, mainly of forage crops, is increasing. There are no forests and no fisheries, while mineral deposits suitable for working have yet to be discovered.

VII.—COMMERCE.

The aggregate value of trade for the year was £203,997 as compared with £257,728 for the previous year. Imports showed a decrease of £28,725 and exports of £25,006.

The following table shows under the principal heads the respective values for the past five years :—

Imports.	*1928.*	*1929.*	*1930.*	*1931.*	*1932.*
	£	£	£	£	£
Food, drink, and tobacco ...	45,568	43,850	44,584	40,267	33,117
Raw materials and articles mainly manufactured.	22,289	17,944	13,057	12,093	8,210
Articles wholly or mainly manufactured.	74,338	95,281	53,613	56,965	39,561
Miscellaneous and unclassified	2,973	4,073	5,191	1,415	1,162
Bullion and specie	1,900	—	—	35	—
Total imports	£147,068	161,148	116,445	110,775	82,050

Exports.	*1928.*	*1929.*	*1930.*	*1931.*	*1932.*
	£	£	£	£	£
Wool	280,770	236,992	190,943	125,818	109,475
Hides and skins	13,332	13,029	14,704	8,941	5,119
Tallow	1,016	1,529	722	1,860	1,150
Live stock	600	—	473	—	246
Seal oil	—	16,423	5,920	—	5,000
Bullion and specie	—	—	—	8,000	—
Other articles	593	897	1,179	2,334	957
Total exports	£296,311	268,870	213,941	146,953	121,947

The further decrease in the value of the wool exported is again due entirely to the fall in market prices, the actual quantity shipped being very nearly the same as that shipped in 1931.

Imports.

The principal articles imported during 1932 were, in value :—

	£
Provisions	18,852
Hardware, etc.	10,611
Drapery, etc.	6,137
Coal, coke, and oil fuel ...	4,695
Paints, etc.	4,469

and in quantities :—

Beer	17,667 gallons.
Spirits	2,652 gallons.
Tobacco	11,542 pounds.

As compared with 1931 decreases are recorded generally and in particular under hardware, etc., of £11,856 and under provisions of £5,815. This is to be attributed to the reduced purchasing power of the population in consequence of the world slump in wool prices. As against a decrease of 5,420 gallons of beer, however, an increase of 1,671 pounds of tobacco is to be remarked.

Approximately 80 per cent of the total imports came from the United Kingdom as compared with 81 per cent in 1931. The countries of origin were as follows :—

	£
United Kingdom	65,443
Other parts of British Empire	—
Total from British Empire	£65,443
Uruguay	8,124
Chile	5,720
Argentine	2,321
Other countries	442
Total from foreign countries	£ 6,607

There is no feature to be noticed in regard to the course of the import trade as compared with 1931.

Exports.

Almost the entire export trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being

inconsiderable, i.e., a total value of £841. The following is a comparative table showing the quantities exported during the past five years :—

	1928.	*1929.*	*1930.*	*1931.*	*1932.*
Wool (*lb.*)	3,929,487	4,068,057	3,690,572	3,931,593	3,934,852
Tallow (*lb.*)	144,480	274,400	158,368	275,520	164,642
Hides and sheepskins (*number*).	52,194	57,489	52,091	73,566	56,565
Seal oil (*barrels*) ...	—	2,657	2,424	—	1,701

These figures compare favourably on the whole with the five years' average and call for no special remark.

VIII.—WAGES AND COST OF LIVING.

No change occurred during 1932 in regard to rates of wages or hours of work of labourers in Stanley who were paid from £10 to £12 a month, or 1s. 2d. an hour ; artisans received from £10 to £20 a month, or 1s. 7d. an hour. The hours of work were eight hours a day with a total of forty or forty-five hours a week. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company and, if it had not been for the extensive works again undertaken by the Government, the incidence of unemployment would have been severe. Although from time to time a considerable number of men were seeking employment there was no actual distress.

On many of the farm stations wages were reduced by 10 to 15 per cent during the year and the average rate ranged from £5 to £7 a month with quarters, fuel, meat, and milk found. Wages of domestic servants both in Stanley and in the Camp varied from £3 to £4 a month with all found.

The staple foodstuffs of the population, including general labourers, are the same essentially as in the United Kingdom, namely meat, (mostly mutton), bread, sugar, and tea. Mutton costs 3d. a pound, bread 1s. a four-pound loaf, sugar, 3d. a pound, and tea 2s. 3d. a pound. Taking £2 10s. a week as an average rate, a labourer's wages are equal to fifty loaves. The cost of living for officials from the United Kingdom is moderate but high prices can only be avoided, generally speaking, by adherence to a diet strictly limited in variety ; many of the more usual amenities of life are either wanting or difficult to obtain. No hotels exist in Stanley in the accepted sense of the term, but there are several boarding houses which offer a reasonable degree of comfort and convenience for residents and for occasional visitors with charges ranging from £1 10s. to £3 3s. a week. Houses, if not provided by the Government, are hard to find and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

Schools.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two-year course of more advanced study. A scheme instituted in 1924 further provided for children from the country districts to be boarded and lodged in a Government hostel and taught in the school at an inclusive charge of 10s. a month during residence or, alternatively, for grants from Government funds not exceeding two-thirds of the cost of board and lodging for the children in private houses. In 1929 it was decided that the hostel had not received sufficient support to justify the cost of maintaining it, and the institution was closed down. It is a matter of regret that this attempt to give children in the country districts the benefit of schooling in Stanley has had to be abandoned. The maintenance grants are, however, still being continued.

There are no facilities in the Colony for higher or vocational education.

There are no institutions, orphanages, or Poor Law institutions, and no legislative provision for maintenance in the event of accident, sickness, or old age; such philanthropic services as are necessary in the community are rendered direct by the Government or are included in the ministrations of the Churches.

Sport.

Encouragement is given in all ways practicable to sport and recreation, both indoor and outdoor. Rifle shooting may be well described as the national sport of the Colony, and the Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting at Stanley on the lines of those held at Bisley. The achievement of the Falkland Islands team in winning the Junior Kolapore Cup at Bisley in July, 1930, has added a new stimulus and has given rise also to moral reactions of much value. It is a matter for regret that it was not found possible to send a representative team to Bisley in 1932 but hopes are entertained of renewing in 1933 the Colony's participation in this competition and in the Junior Mackinnon. Indoor shooting on the modern and well-equipped miniature range in the Drill Hall is also very popular during the winter months. The team selected from the members of the local Miniature Rifle Association succeeded in winning the Colonial Rifle Associations Small-Bore Match, a postal competition inaugurated in 1932 by the Society of Miniature Rifle Clubs. Other branches of sport, such as football, badminton, and boat-pulling, flourish under the aegis of the Defence Force and

opportunities for tests of strength with visiting opponents, principally the crews of His Majesty's ships of the South American Division, are eagerly awaited. Stanley boasts a golf club with a good membership and an interesting nine-hole course, which receives constant attention with a view to its improvement. A ladies' hockey club also functions enthusiastically.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey, and gymnastics as well as the formal Swedish drill.

The newly constructed public baths and gymnasium have proved themselves to be a most popular institution. The construction of a swimming bath would be an additional boon to the community and the matter is receiving such consideration as circumstances permit.

General.

The Town Hall, Stanley, contains a large stage which is fitted with modern appliances for theatrical productions including a draw curtain and lighting effects. It can seat an audience of five hundred people in comfort and safety. Productions and concerts are given from time to time.

The Boy Scouts and Girl Guides movements, together with their dependent Cubs and Brownies, continued their useful work as in past years. A crew of Rover Sea Scouts was formed during the year.

Under the auspices of the Falkland Islands Horticultural Society a Flower Show and Industrial Exhibition is held in the late summer whenever weather and general conditions are favourable. Special classes are included for the arts and crafts. The 1932 Show and Exhibition was highly successful both in regard to the quality and the quantity of the exhibits.

X.—COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Montevideo, to which port a service is maintained in accordance with actual requirements by the s.s. *Lafonia*, a vessel of some six hundred tons dead weight, belonging to the Falkland Islands Company and running on a mail contract for a period of five years from October, 1931. In addition, calls are made at Stanley by cargo vessels of the Pacific Steam Navigation Company. Since the opening of the Panama Canal the passenger vessels of this Company have visited the Colony at increasingly rare intervals and recently they have arrived once only in the year in the course of a tourist cruise round South America; the calls of the cargo vessels tend likewise to become more irregular and infrequent partly on account of the depression in trade. At the beginning

and the end of the whaling season in October and April opportunities occur from time to time for the transport of mails, and, by special arrangement, of passengers, in the floating factories which pass through Stanley on their way to or from the fishing grounds at Graham's Land and the South Shetland Islands. The distance from Stanley to Montevideo is rather more than a thousand miles and the time taken on the voyage varies, according to the class of vessel, from three to five days. The usual period occupied in the transit of mails to and from the United Kingdom is four weeks via Montevideo; by the direct route the passenger vessels complete the journey in twenty-six days and the cargo vessels require upwards of a month on the voyage home, which is performed almost invariably from Stanley to London without intermediate stop, and on the outward voyage upwards of five weeks dependent on the number of calls made. Outward-bound these vessels carry general cargo but homeward they are fully laden with wool for the home market.

On the average, opportunities for the receipt and despatch of mails are available monthly. In the early part of the year the homeward sailings are usually more frequent but during the winter months, from May to October, the intervals are sometimes as long as six weeks.

Communication with the Dependency of South Georgia has been maintained for some years past by the s.s. *Fleurus*, of the Tonsberg Whaling Company, running on contract for the Government. The schedule of sailings for the year under review provided six return voyages between Stanley and Grytviken; in other years when whaling operations have been in progress in the South Shetlands a voyage has been made additionally to Deception Island.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained direct with London, Bergen, Montevideo, and Magallanes, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency. Telegraph charges to the United Kingdom are 1s. 4½d. a word. There are no submarine cables in operation. The postal rate of one penny per ounce for letters to the United Kingdom and the Empire still remains in force.

There are no railways in the Colony and no roads beyond the town of Stanley and its immediate vicinity. Internal communication is carried out on horseback or by boat; caterpillar cars and lorries can be taken over most parts of the Camp but their general use remains yet to be developed.

The inter-insular service alike for passengers and for mails devolves principally on the s.s. *Lafonia*, facilities being arranged as far as practicable so as to afford connexions with in-coming and out-going sailings for overseas. There are no inland telegraphs, but a telephone system is run by the Government in Stanley both

for official and general use. Many of the farmers have their own lines which join up with the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government also maintains a small wireless station for the purpose of inter-insular traffic. Two farm stations have constructed wireless stations of low power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands ; nor have the means of aerial travel hitherto been introduced although the possibilities in the latter direction would seem certainly to warrant investigation.

Statistics of sufficient interest in regard to communications and transport generally are not available but the following table shows the number, the nationality, and description of the vessels which entered the Colony from overseas during 1932 :—

Nationality.	*Steam Vessels.*	*Tonnage.*	*Sailing Vessels.*	*Tonnage.*
British	18	45,261	4	217
Foreign	—	—	—	—
	18	45,261	4	217

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

The only bank in the Colony is the Government Savings Bank, which, as its name implies, is solely a bank of deposit. The rate of interest paid is 2½ per cent per annum. At the close of the Bank's financial year on 30th September, 1932, the total sum deposited was £168,631, and the number of depositors 1,026. The average amount standing to the credit of each depositor was £165 or about £70 per head of the population. There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of 1 per cent. A similar service is undertaken by the Falkland Islands Company, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and a paper currency of 10s., £1, and £5 notes issued by the Colonial Government under the Falkland Islands Currency Note Ordinance, 1930. It is estimated that on 31st December, 1932, there was £2,000 of specie in circulation. During the year the currency-note issue stood at £22,000. The system of weights and measures in use in the Colony is the same as that in use in the United Kingdom.

XII.—PUBLIC WORKS.

The principal new works undertaken during the year were the completion of the North Camp Road to the Admiralty Wireless Station at the western end of Stanley harbour, the further continuation of the Stanley Improvement Scheme, the construction of the initial stages of a road leading eastward from Stanley to the south shore, the formation of tracks to the Camp over the suburban lands, and improvements and extensions to the electric lighting system.

The North Camp Road runs for a stretch of three miles and is the first metalled road to be built outside the limits of the town boundary. It serves at once to afford easy access to the Admiralty Wireless Station, which is operated actually by the Colonial Government, and to the beginning of the track to the North Camp, to add a much appreciated amenity to the life of the inhabitants of Stanley and to open up considerable areas of peat banks for Government use. The Stanley Improvement Scheme was carried on in pursuance of the programme under which, at a total cost of £20,000, the system of roads, drains, and water-supply, as also the housing, in the town is being developed. During 1932 nearly three-quarters of a mile of road was either formed or re-formed and half-a-mile of main drainage was laid. A 100,000 gallons water tank was erected on high ground at the back of the town in order to provide reserve storage and to facilitate the supply of water to houses in the upper reaches and for fire-fighting purposes; this tank was connected by pipe-line with the main reservoir and is fed from it by a windmill. The road over the common to the south shore is estimated to cost £7,000 to be spread over three years. It is rather more than three miles in length, and passes through deep deposits of peat which will be thus made readily available for householders in Stanley for many years to come. It has been instrumental moreover in finding useful employment and debouching, as it does, on to a sheltered sand bay will prove a boon from the aspect both of health and of pleasure.

Good progress was made with the improvement of the tracks leading out of Stanley over the suburban lands so as to make them more practicable by motor and horse traffic. The paving of gateways is an important feature of the improvement effected. Useful employment was provided also in this manner.

The principal addition to the electric lighting system was the installation of a second, 30 kilowatt, engine and generator which was necessary to meet the growing demand for fresh connexions. Half-a-mile of cable route to the west of the town was renewed.

Among other activities of the Public Works Department special mention should be made of the unwatched coastal light, which was erected on Porpoise Point at the south-eastern extremity of the East Falkland Island. This light will be of much service to vessels plying between Stanley and the West Falkland, and its erection has been made possible through the public-spirited donation of

Mr. John Hamilton of Weddell Island and Patagonia. In Stanley the reconditioning of the exterior of the Town Hall and public offices was completed in accordance with the plan described in last year's Report, and general repairs were effected to the public jetty. Further work also was carried out on the improvement and extension of the cart tracks over the common so as to facilitate the haulage of peat for householders. On the West Falkland Island the Fox Bay wireless station, including the masts, was thoroughly overhauled and repainted, and the piers of the bridge over the Chartres river were strengthened consequent on damage caused by the floods of the previous winter.

The Public Works Department of the Colony is composed of a Director of Public Works with subordinate outdoor and clerical staff. The Electrical Department is run as a separate unit under the control of a Superintendent who is responsible for the upkeep of the electric lighting system and of the telephone and broadcasting services.

The Public Works Department, in the absence of a municipality or other form of local government in Stanley, undertakes the usual maintenance services, including conservancy and water-supply, for the town. In addition, the Department has to cut and transport the considerable quantity of peat fuel which is required for Government purposes. To its charge are committed, furthermore, the general upkeep of all Government buildings and property, in particular, plant, walls, bridges, fences, jetties, and harbour lights. The above services were all carried out with due care and efficiency during the year.

The total expenditure incurred under the Public Works and Electrical votes was £28,047 in 1932; an average number of one hundred and ten men, exclusive of monthly employees, were on the pay roll during the year, as compared with seventy-eight during 1931 and sixty-four during 1930. This large increase is due entirely to the extraordinary works put in hand to relieve unemployment.

XIII.—JUSTICE AND POLICE.

The judicial system of the Colony is limited to a Supreme Court in which the Governor sits alone as Judge and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with minor offences. The local Police Force consists of four constables and a chief constable and is stationed entirely in Stanley. The chief constable is also gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is rare. Cases of petty theft and of injury to property, however, occur from time to

time. Five persons were dealt with in 1932 in the Summary Court and all were convicted. No criminal issue went to the Supreme Court during the year ; three cases came before the Juvenile Court. The problem of young offenders does not arise except in isolated cases each of which receives individual attention from the reformative rather than from the punitive point of view. No instance is on record, at any rate in recent years, in which a child or young person has been committed to prison.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition ; the health of the one prisoner incarcerated in 1932 was good during his brief sojourn in the gaol.

XIV.—LEGISLATION.

Nine Ordinances were passed by the Legislative Council in 1932. In addition to the Supplementary Appropriation (1931) Ordinance No. 1, and the Appropriation (1933) Ordinance No. 5, the following measures were enacted :—

No. 2. The Summary Jurisdiction (Amendment) Ordinance, increasing the jurisdiction of the Magistrate's Court so as to include suits where the claim, debt, damage, or balance sought to be recovered does not exceed £100, the previous limit having been £50.

No. 3. The Tariff (Export Duties) Amendment Ordinance, fixing the special rate of duty on export of whale oil and seal oil during the 1932–33 and 1933 seasons, respectively, at 1s. 6d. for each barrel of forty gallons.

No. 4. The Tariff (Import Duties) Amendment Ordinance, providing for the entry duty free of Empire matches and for a preferential rate on Empire tobacco and cigarettes.

No. 6. The Minimum Wage Fixing Machinery Ordinance, giving effect to the provisions of the International Labour Convention concerning the creation of Minimum Wage Fixing Machinery.

No. 7. The United Kingdom Designs (Protection) (Amendment) Ordinance, enacting a minor amendment to existing legislation in conformity with Imperial legislation in the matter.

No. 8. The Registration of United Kingdom Patents (Amendment) Ordinance, enacting a minor amendment to existing legislation in conformity with Imperial legislation in the matter.

No. 9. The Dangerous Drugs (Amendment) Ordinance, giving effect to the provisions of the Geneva Convention of 13th July, 1932.

The following subsidiary legislation was also enacted during the year :—

Proclamation dated 30th January, establishing the close season under Section 3 of the Wild Animals and Birds Protection (Amendment) Ordinance, 1913, as the period between the first day of August (*vice* September) in any year and the last day of February in the following year.

Order in Council of 28th June, styled The Post Office (Rates of Postage and Fees) Amendment Order, fixing revised rates for books and newspapers and for registration and determining the limit of compensation payable for the loss of a registered article.

The Pensions (Amendment) Regulations and the Pensions (Amendment) (No. 2) Regulations, effecting minor amendments to the existing regulations so as to bring them generally into line with the regulations in force in other parts of the Empire.

Conditions of labour in the Colony render unnecessary legislation in the nature of factory Acts ; neither is there any provision on the Statute book for compensation for accidents or for sickness or old age.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1932 from all sources was £98,463, as compared with £78,397 in 1931, and from ordinary sources £64,199, as compared with £51,805 in 1931. For the most part the increase is attributable to the appreciation of the market value of the Colony's investments. The expenditure on recurrent services was £38,711 or less by £25,688 than the revenue from ordinary sources. In addition extraordinary expenditure amounting to £16,089 was incurred mainly in connexion with the measures undertaken to relieve unemployment. Thus the revenue from all sources exceeded the total expenditure of £54,798 by £43,665.

The following table gives the comparative figures of the expenditure and the revenue for the past five years.—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1928	51,011	73,957	55,329	68,903
1929	66,650	73,599	46,000	59,041
1930	62,094	82,812	39,128	69,979
1931	51,805	78,397	38,977	72,676
1932	64,199	98,463	38,711	54,798

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1932, amounted to £318,470. The following statement shows the balances at the beginning and the end of the year :—

	1st January.	*31st December.*
	£	£
Land Sales Fund	235,730	266,227
Marine Insurance Fund	2,848	2,848
Reserve Fund	34,000	37,637
General Account	2,357	11,758
	£274,935	£318,470

The main heads of taxation are three, namely, Customs duties on imports, an export duty on wool and on whale oil and seal oil, and rates levied on house property in the town of Stanley; the yield from each source in 1932 was, respectively, £5,738, £8,230, and £771. Customs duties on imports are collected only on liquor, tobacco, and matches at the following rates:—spirits 20s. a gallon, wine 3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints, malt 6d. a gallon in bulk or 6d. a dozen bottles of reputed pints, cigarettes, manufactured tobacco, and snuff 4s. a pound, and matches for every gross of boxes not exceeding 10,000 matches 4s. A preferential rate of nine-tenths of the full duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free. The duty on the export of wool is at the rate of 1s. for every twenty-five pounds, and on whale oil and seal oil at the rate of 1s. 6d. for every barrel of forty gallons or 9s. a ton. There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen.

The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the " Discovery " Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1932 the average mean temperature was 35·10° Fahrenheit. Rain fell on seventy-seven days and snow or sleet on one hundred and twenty-five days. Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch, and known locally as the " Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928–29 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and

British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–21 and 1821–22 by no less than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–24 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. A new and valuable survey of the South Sandwich group was carried out in 1930 by the Royal Research ship *Discovery II* of the " Discovery " Expedition.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia ; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

As has been stated in the preceding chapters, there is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is entirely resident either on the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it exceeds 1,000, practically all males, but during the winter it is not more than one-third of that number. At the census taken on 26th April, 1931, the number of persons at South Georgia, including shipping, was recorded as five hundred and sixty-three and at the South Shetlands as one hundred and forty-six ; among these one female only appears. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian or Scandinavian. Two deaths, as compared with eight in 1931, no births, and two marriages occurred in the Dependencies in 1932.

IV.—HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness arises from the lack of fresh food-stuffs.

No medical officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors. the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies, and at Deception Island a very efficient hospital is kept in commission during the season by the Hektor Company.

Weather conditions in 1932 were not favourable but, as usual, health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression bordering in some cases on melancholia.

V.—HOUSING.

The question of housing does not really arise in South Georgia or in the other Dependencies. All the officials are suitably housed in the quarters at King Edward Cove and the arrangements made by the whaling companies to accommodate the personnel working on their stations are fully adequate.

VI.—PRODUCTION.

Apart from sealing on a small scale, whaling is the only industry in the Dependencies and whale and seal oil and by-products of the whale, such as guano, their sole produce. The whaling season in the Dependencies is restricted to the period from 16th September to 31st May annually, while sealing operations are carried on at South Georgia from 1st March to 31st October.

Owing to the continued slump in the market for oil, whaling operations were again greatly curtailed during the 1932–33 season. At South Georgia only one station, that belonging to the Compania Argentina de Pesca, conducted operations and the land station at Deception Island remained closed. No floating factories worked under licence from the Government, although a good number of expeditions fished on the high seas and off the ice-pack, the catch being restricted by agreement on a quota basis.

The catch at South Georgia was good numerically but for the most part the whales taken were physically immature and small. The total catch amounted to 996 whales, made up of 727 fins, 267 blue, and 2 sei.

The quantity of oil produced was 54,583 barrels with an average per " standard whale " of 86·57 barrels. 49,572 bags, each of 100 kilogrammes, of guano were also produced.

The following table shows, for comparative purposes, the actual catch, "standard whales," the oil and guano production, and the average for the past five seasons :—

Season.	*Actual Whales.*	*"Standard Whales."*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages. Oil.*	*Guano.*
1928–29 ...	5,133	3,581	340,500	244,631	95·10	68·30
1929–30 ...	4,210	2,645	242,950	242,720	91·88	91·70
1930–31 ...	2,736	2,019	188,044	181,152	93·13	89·70
1931–32 ...	2,205	1,494	124,337	113,420	92·16	75·90
1932–33 ...	996	631	54,583	49,572	86·57	78·60

An interesting feature of the 1932–33 season was the employment for the first time of a limited number of Falkland Islands labourers at the Compania Argentina de Pesca's land station and on board the floating factories belonging to Messrs. Salvesen. The experiment—for such it was—proved to be mutually successful and arrangements are contemplated for the employment of increased numbers in future seasons.

So far as can be foreseen at present the outlook for next season is more promising. The price of oil still remains at approximately £13 a ton but the past season's production is believed to have been all sold. It is hoped that in 1933–34 two or three of the land stations in South Georgia will resume operations.

VII.—COMMERCE.

The value of the total trade of the Dependencies in 1932 was £598,494, of which £228,952 represented imports and £369,542 exports. Of the imports, whale oil (for re-export) accounted for £124,200, coal, coke, and oil fuel £77,578, hardware £7,597, and provisions £6,076. The exports of whale and seal oil amounted to £274,396, and of guano and bone meal to £83,054.

The following table gives the comparative values of the trade of the Dependencies during the past five years :—

	Imports. £	*Exports.* £	*Total.* £
1928	436,019	3,763,149	4,199,168
1929	626,746	5,164,709	5,791,455
1930	499,829	2,726,173	3,226,002
1931	311,388	1,748,467	2,059,855
1932	228,952	369,542	598,494

The decrease in the value of the import trade is due to the fact that whaling operations during the 1932–33 season, which opened in September, 1932, were conducted on a still further reduced scale. The decrease in the value of the export trade is due to the continued drop in the market price of whale and seal oil and to the fact that no floating factories operated under licence. Excluding importations and exportations of whale oil from and for the "high seas" about

25 per cent of the value of the imports came from the United Kingdom and about 33 per cent of the value of the exports were shipped for the United Kingdom. The bulk of the coal imported was obtained from the United Kingdom and of the fuel oil from the Dutch West Indies. About 57 per cent of the hardware came from Norway and 31 per cent from the United Kingdom, while provisions show 45 per cent from Norway and 43 per cent from the Argentine. Whale and seal oil was exported principally to the United Kingdom, 35 per cent, and to Norway, 25 per cent; 24 per cent went to the Cape Verde Islands and 14 per cent to Brazil, in both cases for re-consignment. British interests in the whaling industry have increased considerably in recent years and Norway no longer, as in the past, holds a virtual monopoly, that is on the financial side, for on the operative side the personnel employed remains practically all Norwegian.

During the year 1932 the price of oil ranged from £10 to £15 a ton according to grade but even at these figures large quantities failed to find a market. The accumulation of stocks has led to the adoption by the companies of a restricted output on a quota basis during the 1932–33 season. Future prospects in the industry, therefore, continue to be uncertain and it is doubtful whether whaling operations will ever be resumed on the same scale as that on which they were carried on during the years immediately preceding the depression. Such a contingency indeed is to be deprecated from most points of view.

VIII.—WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their station the question of the cost of living does not arise.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

The several whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken, so far as the serious business of the production of oil will allow, in football and in other forms of sport such as ski-ing during the deep snow of the winter months.

The fifth annual meeting of the South Georgia Sports Association—otherwise styled the Antarctic Sports—was held at Grytviken in February, by courtesy of the manager of the Compania Argentina de Pesca's whaling station, Captain A. M. Abrahamsen. The meeting, like its predecessors, was most successful and was favoured throughout by exceptionally fine weather. The enthusiasm displayed and the standard of performance recorded were fully up to those of previous years. Grytviken won the championship with Leith close behind as runners-up. In the football cup Leith beat Grytviken after a splendidly contested game by four goals to three.

X.—COMMUNICATIONS AND TRANSPORT.

Communication of a regular nature, more or less, between South Georgia and Stanley, as has been stated in a previous chapter of this Report, was maintained by the s.s. *Fleurus* of the Tonsberg Whaling Company, running under contract with the Government. A voyage is made also once a year when whaling operations are in progress between Stanley and Deception Island in the South Shetlands group. During the whaling season direct sailings between Europe and South Georgia in either direction are in the normal course not infrequent and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in October and on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur, but in winter the delay may on occasion be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys. There are no railways or roads in the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1932 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	41	70,108	—	—
Foreign (mostly Norwegian) ...	8	21,307	2	1,468
	49	91,415	2	1,468

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. During 1932 no case of serious crime was brought before the Courts. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, calling seldom for the intervention of the civil authorities : a fact which in itself speaks highly for the standard of discipline maintained by the managers of the several stations.

XIV.—LEGISLATION.

No Ordinances were enacted and no subsidiary legislation was made during the year with special reference to the Dependencies other than the Tariff (Export Duties) Amendment Ordinance, by which the rate of duty on the export of whale oil and of seal oil was fixed at 1s. 6d. for each barrel of forty gallons during, respectively, 1932–33 and the 1933 seasons.

XV.—PUBLIC FINANCE AND TAXATION.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1932 to £17,446. The expenditure excluding that from the Research and Development Fund, was £20,143.

The following table shows the comparative figures of the revenue and of the expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1928	194,153	122,102
1929	122,814	39,385
1930	84,547	21,597
1931	48,133	31,129
1932	17,446	20,143

The decline in the returns, both of revenue and of expenditure, is due to the drastically restricted scale on which whaling operations were conducted during the year by reason of the depressed conditions of the oil market.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1932, was £441,287, earmarked as follows :—

	£
Research and Development Fund	430,748
" Discovery " Pension Fund	4,236
General Account	6,302

The main heads of taxation are customs duties on the importation of alcoholic liquors and tobacco and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £563 in 1932 and export duties to £14,061. The customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil stood at 2s. a barrel or 12s. a ton during the 1930–31 and 1931–32 seasons and has been reduced to 1s. 6d. a barrel or 9s. a ton for the 1932–33 season. The export duty on guano is at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

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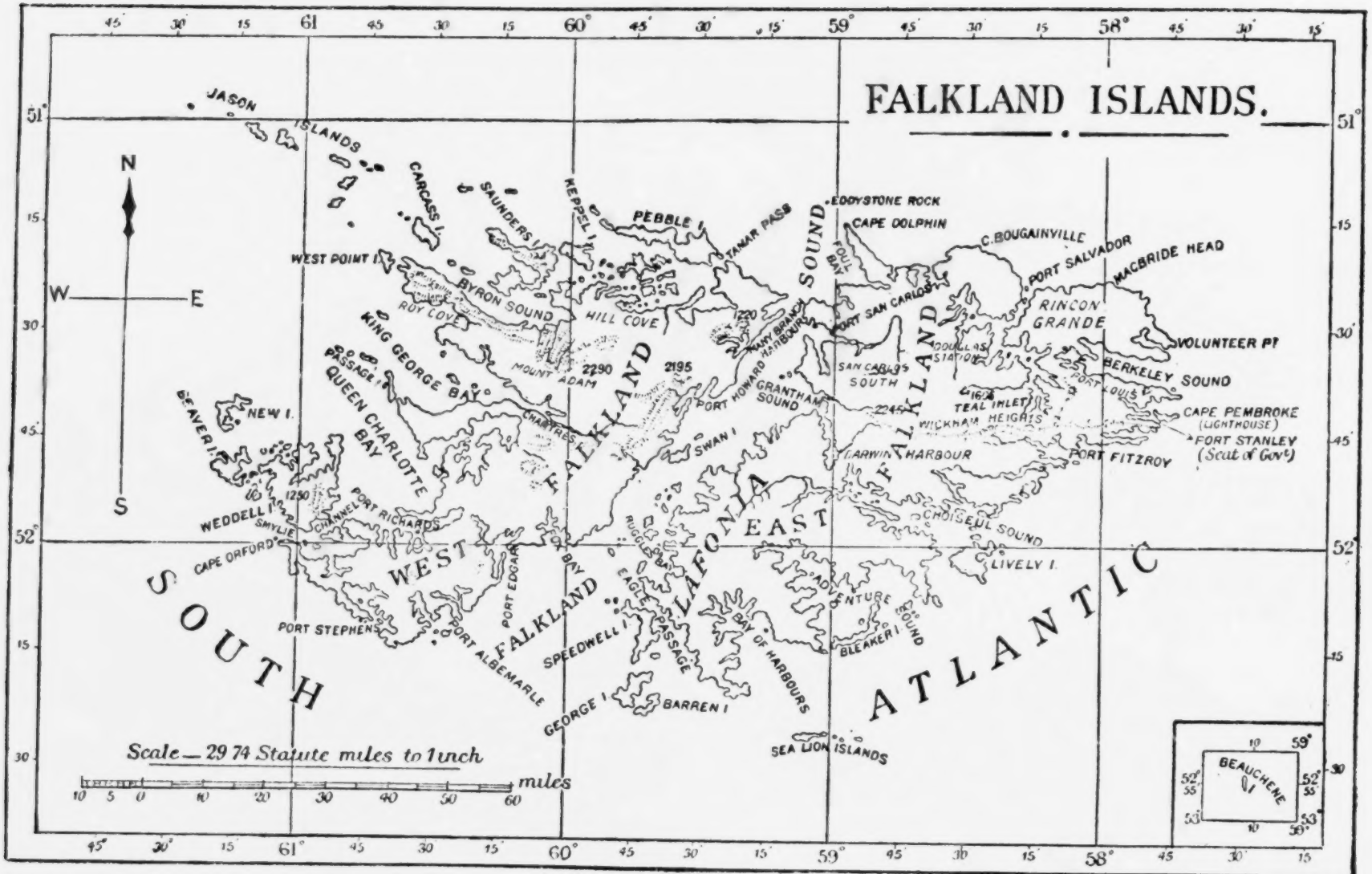

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[*Continued on page iii of cover.*

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1933

TABLE OF CONTENTS

Chapter.	Colony. Page.	Dependencies. Page.
I.—Geography, Climate, and History	2	19
II.—Government	5	20
III.—Population	5	21
IV.—Health	5	21
V.—Housing	8	22
VI.—Production	8	22
VII.—Commerce	9	23
VIII.—Wages and Cost of Living	11	23
IX.—Education and Welfare Institutions	12	24
X.—Communications and Transport	13	24
XI.—Banking, Currency, and Weights and Measures	15	25
XII.—Public Works	15	25
XIII.—Justice and Police	16	25
XIV.—Legislation	17	25
XV.—Public Finance and Taxation	17	25
Appendix—Bibliography	27	
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about twelve hundred inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided ; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting twenty-four hours.

The Falkland Islands, called by the French " Isles Malouines " and by the Spaniards " Islas Malvinas," were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound in memory of the

well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

The Centenary of the establishment of a permanent British settlement in the Colony was held on 12th February, 1933. A very fine set of pictorial postage stamps was issued to commemorate this important event in the history of the Colony and in addition the Centenary celebrations, which were held for one week, included

a stock show, sports meeting, and a fireworks display, as well as various other entertainments. H.M.S. *Durban* visited the Colony for the special purpose of taking part in the celebrations.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of three official and one unofficial members. There is also a Legislative Council composed of four official and two unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local government in the Colony.

III.—POPULATION.

The inhabitants of the Falkland Islands are of European and chiefly of British descent, in which Scotch blood is marked. There is no indigenous or native population.

The estimated population on 31st December, 1933, was 2,427, made up of 1,362 males and 1,065 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between outlying districts of the East and West Falklands. The number of births registered in 1933 was fifty-two, and of deaths twenty-seven, or respectively 21·42 and 11·12 per 1,000. Sixteen marriages were celebrated during the year. The infantile mortality rate is recorded at 57·7 per 1,000 births of children under one year. Fifty-seven persons arrived in the Colony and eighty-three persons left in the course of the period under review.

IV.—HEALTH.

The general health of the community has been good. There was a small epidemic of chicken-pox but this was quickly suppressed.

A number of cases of ringworm occurred in Stanley and in outlying districts of the East Falkland.

The climate is healthy and the people generally are in comfortable circumstances. Animal food is abundant and cheap, and the other necessaries of life easily obtained, beef and mutton being the staple food. Fish is obtainable during the summer but becomes scarce during the winter. Fruit is not grown in the Colony, but more frequent communication with the River Plate has facilitated the supply of fresh fruit and has reduced the cost. The revival during the past four years of the Annual Flower Show and Industrial Exhibition has stimulated the cultivation of vegetables and particularly the much needed green vegetables.

The dental condition of the population continues to improve. The Dental Surgeon made extensive tours, and carried out a great deal of work in the East and West Falklands. All children of sixteen years and under receive free treatment and advice from the Dental Surgeon maintained by the Government who makes frequent visits of inspection to the schools in Stanley and periodical tours of the out-districts. A special clinic for school children is held every Saturday morning.

Vaccination is compulsory. The majority of children in Stanley are vaccinated before they are a year old. Those born in outlying districts are vaccinated by Medical Officers when on tour.

There was an increased number of cases of appendicitis, thirty-two coming under operative treatment as against twenty-five in 1932.

Seven cases of tuberculosis were notified in 1933. Three of these were pulmonary, and the remainder bone, joint and tendon affections. This is an increase over the number of cases reported in 1932 but it is hoped that improved sanitary and housing conditions will go far towards checking the progress of the disease.

Malaria and other insect-borne diseases are unknown in the Colony.

The incidence of coughs and severe colds during the last four months of 1933 was unusually high. A series of colds, associated in some cases with high fever, swept the Colony and caused a remarkable amount of debility. This high "cold" incidence is attributed to the very inclement climatic conditions, and lack of sunshine during the period in question. In several cases these colds were followed by broncho-pneumonia.

With the exception of those from ships there were no cases of venereal disease.

The ringworm epidemic in the outlying districts of the East Falkland eventually reached Stanley, where fifteen cases were reported. These have all been successfully treated, and so far as is known there are no further cases. The endemic focus of this disease is cattle. The majority of the farmers have co-operated in reducing the disease among cattle by dipping or destroying affected animals.

There were no cases of scarlet fever, measles, diphtheria or whooping-cough.

The Government maintains out of public funds a hospital in Stanley under the style of the King Edward VII Memorial Hospital. The hospital comprises twelve beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. During the year an improved type of X-ray apparatus was installed.

The staff of the Medical Department includes the Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister in addition to Junior Nurses locally recruited and trained.

The Senior Medical Officer made a tour of the East and West Falkland and the Medical Officer made periodical tours of outlying districts in the East Falkland. Satisfactory reports on health conditions were received. It is to be observed in this connexion that the Falkland Islands Company, Limited, maintain their own Medical Officer at Darwin.

The out-patient department of the hospital provides ante- and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1933, 171 persons were admitted as in-patients and there were 1,448 out-patients with a total attendance of 3,978 as against 1,350 and 3,257 respectively in 1932. Three deaths occurred in the hospital. Fifty operations were performed with uniformly good results and many minor operations were carried out in the out-patient department.

Sewage in the town of Stanley is disposed of partly by water-carriage system and partly by earth-closet method. It is satisfactory to record that the number of inhabitants taking advantage of water-carriage facilities is steadily increasing. The night soil from earth-closets is removed by means of special carts under the control of the Public Works Department. The disposal of sewage which is deposited in the harbour is efficient as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health by-laws all ashes and household refuse must be stored in properly constructed bins which are required to be emptied once a month at least. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered and in consequence house connexions continue to increase. The use of rain water from tanks and barrels is gradually disappearing.

Improvements to the system of roads in Stanley have been completed and they are now adequate to present needs. The drainage system of the town was further improved during the year.

There are three licensed slaughter-houses in Stanley and these were inspected with reasonable frequency and were found to comply with the Board of Health by-laws. Meat for human consumption was also inspected at regular intervals.

Dairies were inspected from time to time and samples of milk tested which showed that the standard of cleanliness has been maintained. No samples were found to contain the bacilli of tuberculosis.

Bi-annual rat weeks were continued to be held with considerable success. Rats appear to have diminished as a result but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

Several new buildings were erected in Stanley during the year 1933, and additional buildings are in course of construction. The buildings erected are of a suitable type and conform to the requirements of the Board of Health both as regards construction and sanitary arrangements.

There is now no overcrowding in Stanley the rate of building being adequate to the needs of the population. In the majority of cases the wage-earning population own their own houses which are well built and comfortable. Building loans are made in suitable cases by the Government to facilitate the construction of new houses. The Government maintains also sufficient accommodation for its officials and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector and householders are required to keep their premises in as sanitary a condition as circumstances permit. In case of need powers exist to condemn premises as unfit for human occupation.

In recent years housing conditions have been much improved by the provision of an adequate water supply and also by the disposal of sewage by water-carriage.

VI.—PRODUCTION.

Wool, skins, and tallow are the principal products of the Colony at the present time. All produce is exported to the United Kingdom.

Sheep farms vary approximately in extent from 24,000 acres to 150,000 acres and carry on the average between 8,000 and 35,000 sheep, or, say, three to five acres to one sheep.

No statistics are kept of the actual quantity of wool produced in any one year as distinct from the quantity exported. The average production during the past six years was four million pounds annually. The actual return of wool exported during 1933 was 4,021,444 lb., valued at £100,749. The average price realized was just over 6d. per lb. as against an average price of about 7d. per lb. in 1932, and 7½d. to 8d. per lb. in 1931.

Economic conditions were as difficult and disappointing in the year under review as in the preceding year. Prices for wool and other produce continued at levels which left little or no profit to farmers.

Hides and skins exported realized £8,807 as against £5,119 in the preceding year, or an increase of £3,688.

Seal oil.—During the year the Falkland Islands and Dependencies Sealing Company, Limited, operated for a short period of three months and produced approximately 300 tons of oil from hair seal of an export value of £4,660. Owing, however, to unfavourable market conditions the Company was unable to show a profit on the season's working and unless conditions show some appreciable improvement it is doubtful whether the Company will operate in a future season.

Live stock.—During the year a number of rams of the Romney Marsh type were imported from the United Kingdom for the purpose of improving flocks in the Colony.

General.—Apart from the commodities above described the Colony has no resources of known commercial value. Forage crops are produced to a limited extent, but with this exception there is practically no agriculture in the Colony.

VII.—COMMERCE.

The state of the trade of the Colony, as reflected by the values of imports and exports during the year 1933, and as compared with previous years was as follows :—

Imports.	*1929.*	*1930.*	*1931.*	*1932.*	*1933.*
	£	£	£	£	£
Food, drink, and tobacco ...	43,850	44,584	40,267	33,117	28,858
Raw materials and articles mainly unmanufactured.	17,944	13,057	12,093	8,210	5,902
Articles wholly or mainly manufactured.	95,281	53,613	56,965	39,561	33,729
Miscellaneous and unclassified	4,073	5,191	1,415	1,162	747
Bullion and specie	—	—	35	—	25
Total imports	£161,148	116,445	110,775	82,050	69,261

Exports.	*1929.*	*1930.*	*1931.*	*1932.*	*1933.*
	£	£	£	£	£
Wool	236,992	190,943	125,818	109,475	100,749
Hides and skins	13,029	14,704	8,941	5,119	8,807
Tallow	1,529	722	1,860	1,150	1,768
Live stock	—	473	—	246	—
Seal oil	16,423	5,920	—	5,000	4,600
Bullion and specie	—	—	8,000	—	—
Other articles	897	1,179	2,334	957	988
Total exports	£268,870	213,941	146,953	121,947	116,912

The actual quantity of wool exported in 1933 exceeded the quantity exported in the preceding year, but the market prices continued to fall.

Imports.

The principal articles imported during 1933 were, in value :—

	£
Provisions	17,537
Hardware...	9,369
Drapery, etc.	7,803
Coal, coke, and oil fuel	2,721
Timber	3,046
Paints, etc.	2,126
Chemicals...	3,047

and in quantities :—

Beer	12,600 gallons.
Spirits	2,418 ,,
Tobacco	8,950 pounds.
Wines	990 gallons.

The import trade of the Colony, as in the previous year, continued to decrease. There was no increase in the prices of most commodities during the year but as prices of the produce of the Colony continued to fall the purchasing power of the inhabitants was not improved. There was a marked falling off in imports of beer, spirits and tobacco.

As in the preceding year approximately 81 per cent. of the total imports came from the United Kingdom.

The countries of origin were as follows :—

	£
United Kingdom	56,301
Other parts of British Empire	—
Total from British Empire ...	... £56,301
Uruguay	9,918
Argentine	2,143
Chile	625
Other countries	274
Total from foreign countries ...	... £12,960

There was no alteration in the course of the import trade as compared with 1932.

Exports.

Practically the whole of the export trade of the Colony was with the United Kingdom, with the exception of exports to other countries of a value of £725.

The following is a comparative table showing the quantities exported during the past five years :—

	1929.	*1930.*	*1931.*	*1932.*	*1933.*
Wool (*lb.*)	4,067,057	3,690,572	3,931,595	3,934,852	4,021,444
Tallow (*lb.*)	274,400	158,368	275,520	164,642	425,712
Hides and sheepskins (*number*).	37,489	52,091	73,566	56,565	77,679
Seal oil (*barrels*) ...	2,657	2,424	—	1,701	1,806

The figures for 1933 show a considerable increase in the export of tallow, hides and sheepskins.

VIII.—WAGES AND COST OF LIVING.

The average rate of wages for unskilled labour is at the rate of 1s. 2d. an hour and for skilled labour at the rate of 1s. 4d. an hour. Artisans receive 1s. 7d. an hour. The hours of work are eight hours a day with a total of 40 to 45 hours a week.

In domestic service monthly wages with board and lodging, for housemaids vary from £2 to £3 10s. 0d. ; for cooks from £3 to £4 10s. 0d.

Owing to the reduction of labour on farms due to the depression in the sheepfarming industry there was an increase in the number of men seeking employment in Stanley. The majority were employed on works undertaken by the Government to relieve unemployment and in consequence there was no actual distress.

The average rate of wages on farm stations was £6 to £7 a month with quarters, fuel, meat and milk free.

The cost of living has varied little during the year. The average prices of the main articles of food were as follows :—

Mutton	3d. per lb.
Beef	5d. per lb.
Pork, fresh...	1s. 6d. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per dozen.
Milk	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4 lb. loaf.
Sugar	3d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 6d. per lb.
Fresh Vegetables	5d. per lb.
Butter (imported)...	1s. 4d. to 1s. 8d. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

On the whole the cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and

convenience with charges ranging from £2 2s. 0d. to £3 3s. 0d. per week.

Unfurnished houses for workmen cost from £2 to £3 per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are hard to obtain and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision also is made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made in approved cases to enable children from country districts to be taught in Stanley.

For the benefit of children who are unable to come to Stanley, the Government maintains three itinerant schoolmasters on the West Falkland Island and one on the East Falkland Island.

The Falkland Islands Company, Limited, also maintains a schoolmaster at their settlement at Darwin, and in addition certain itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions, and no legislative provision for maintenance in the event of accident, sickness, or old age.

Poor relief is granted by the Government in certain necessitous cases. The cost in 1933 amounted to £136.

A society known as the Stanley Benefit Club insures its members for sickness and death.

There are three social clubs, namely, the Colony Club, the Falkland Club and the Working Men's Social Club.

There are football, badminton, golf, and hockey clubs, all of which are flourishing.

The Stanley Sports Association holds an annual sports meeting in December of each year for horse racing and athletic events.

The Defence Force Rifle Association which is affiliated to the National Rifle Association, holds an annual Meeting at Stanley on the lines of those held at Bisley. The Falkland Islands team won the Junior Kolapore Cup at Bisley in 1930, and in 1933 the Colony was again represented at Bisley in the Junior Kolapore and Junior Mackinnon competitions. Miniature rifle shooting on the modern and well-equipped miniature range in the Drill Hall is very popular during the winter months. The local Miniature Rifle Association won in 1932 the Colonial Rifle Associations Small-Bore Match, a

competition inaugurated in that year by the Society of Miniature Rifle Clubs, and also won in 1933 the Dominion Clubs' Team Competition which was inaugurated in that year.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey and gymnastics, as well as the formal Swedish drill.

There are also public baths and a well-equipped gymnasium. The construction of a swimming pool is under consideration.

The Town Hall, Stanley, is well-equipped with modern appliances for theatrical productions. It can seat an audience of 500 people in comfort and safety. It has a very fine dance floor and is much used for that purpose particularly during the winter months.

The Boy Scouts, Girl Guides, and Rover Sea Scouts continued their useful work. There are also troops of Cubs and Brownies.

There is one cinema in Stanley, owned and managed by the Roman Catholic Mission, which usually affords entertainment on two days of the week, one of which is for children only.

There is also a public library at which books to suit every taste may be obtained.

The Falkland Islands Horticultural Society, which is affiliated to the Royal Horticultural Society, England, held during the year a Flower and Vegetable Show and Industrial Exhibition. The Show and Exhibition was successful both in regard to the quality and the quantity of the exhibits. The Society presents the Clarence Elliott Challenge Cup for the best collection of vegetables in twenty-four distinct varieties. The Banksian Medal granted by the Royal Horticultural Society, England, is awarded to the winner of the largest total amount of money in prizes at the Show, but the same competitor may not win the medal oftener than once in three consecutive years.

X.—COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Monte Video to which port a service is maintained by the s.s. *Lafonia*, a vessel of some 600 tons dead weight, belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from October, 1931. In addition, calls homeward and outward are made at Stanley at irregular and infrequent intervals by cargo vessels of the Pacific Steam Navigation Company, Limited. The calls made in 1933 were three homeward and three outward.

The distance from Stanley to Monte Video is rather more than a thousand miles and the time taken on the voyage by the s.s. *Lafonia* averages 4½ days, and by other vessels from 3 to 5 days according to the class of vessel.

The average time occupied in the transit of mails to and from the United Kingdom, via Monte Video, is 26 days ; by the direct route passenger vessels complete the journey in the same time and the

cargo vessels require upwards of a month to five weeks on the voyage home, which is performed almost invariably from Stanley to London without intermediate stop, and on the outward voyage upwards of five weeks dependent on the number of intermediate stops.

On the average, opportunities for the receipt and despatch of mails are available every four to five weeks.

The contract with the Tonsberg Whaling Company for the conveyance of mails to and from South Georgia was terminated in the early part of 1933, and provisional arrangements were made with the Falkland Islands Company, Limited, for the maintenance of communication by the s.s. *Lafonia* which makes four voyages a year usually in March, June, October and December. The time taken on the voyage between Stanley and South Georgia averages 3½ days.

During the whaling season, October—April, opportunities occur from time to time for the conveyance of mails between Europe and South Georgia by means of floating factories and transports engaged in the whaling industry.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained direct with London and Monte Video, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraph charges to the United Kingdom are 2s. 6d. a word for "ordinary," 1s. 3d. a word for "deferred," and 9d. a word for "code" messages.

There are no submarine cables.

The postal rate for the United Kingdom and the Empire is one penny per ounce.

At the end of 1933 there were 38 wireless sets licensed.

The Government maintains a broadcast relay service. The licence for subscribers to this service is £1 per annum and the number of licences issued in 1933 was 103. The principal overseas programmes are relayed from the Broadcasting Studio to subscribers. Local programmes of gramaphone records are also given as well as news and sports items from England.

There are no railways in the Colony. Certain roads suitable for motor traffic are in course of construction towards the Fitzroy River and towards the North Camp. Internal communication is carried out on horseback or by boat. The inter-insular service for mails and passengers is carried out by the s.s. *Lafonia*.

There are no inland telegraphs, but a telephone system is maintained by the Government in Stanley both for official and general use. In the outlying districts privately-owned lines join up with the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government also maintains a small radio station for the purpose of local traffic. Two farm stations

have constructed radio stations of low power for local communication.

There are no omnibuses or tramways in the Colony and no air mail and passenger service.

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

The only bank in the Colony is the Government Savings Bank. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th September, 1933, the total sum deposited was £181,928, and the number of depositors 1,032. The average amount standing to the credit of each depositor was £176 12s. 7d., or about £73 per head of the population.

There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. A similar service is undertaken by the Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and a paper currency of 10s., £1 and £5 notes issued by the Colonial Government under the Falkland Islands Currency Note Ordinance, 1930. It is estimated that on 31st December, 1933, there was £2,000 of specie and £22,000 of currency notes in circulation.

The system of weights and measures in use in the Colony is the same as that in use in the United Kingdom.

XII.—PUBLIC WORKS.

During the year the Stanley Improvement Scheme which was commenced in 1930, was completed at a cost of £20,000. Good progress was made with the road leading eastward from Stanley to Surf Bay on the south shore and this will be completed early in 1934. This road, which has been constructed at a cost of £7,000, will prove a great boon from the aspect of both health and pleasure, and also in providing easy means of access to the peat deposits adjacent to its route.

The road in course of construction towards the North Camp was cut out as far as the suburban boundary near the Two Sisters Hills. Good progress has been made with the work and the road is now metalled for approximately a third of its distance. When completed the road will be suitable for motor and other traffic.

During the year the ribbon track towards Sapper Hill was altered and converted into a road. This road was continued towards the foot of Mount William and it is expected that by the end of 1934 it will have reached Mount Harriet on the Darwin-Fitzroy track.

It is proposed in due course to continue this road towards Pattersons Point on the Fitzroy River, in order to connect with a bridge which the Falkland Islands Company, Limited, propose to erect in 1934. When completed the road will provide facilities for transport between Stanley and Darwin and Brenton Loch on the Falkland Sound.

Considerable improvements were effected in the town of Stanley during the year, particularly in regard to drainage facilities for the new building area to the south of the town. The roads were also improved by treatment with bitumen solution. Important and necessary work was carried out to the road at "Italy" near the Naval Battle Memorial. This road, which was dangerous, was widened by reclaiming and filling in part of the foreshore.

A much needed sports pavilion was erected during the year.

Applications from householders for water-supply connexions showed a steady increase.

There was an increasing demand for electric light and in consequence it was found necessary to further extend the system.

In addition to its other activities the Public Works Department undertakes the usual maintenance services, including conservancy, and water supply, for the town. The Department is responsible also for the considerable quantity of peat fuel which is required for Government purposes. To its charge are committed, furthermore, the general upkeep of all Government buildings and property, in particular plant, sea-walls, bridges, fences, jetties and harbour lights and, in addition, maintenance of the light on Porpoise Point near North Arm.

The above services were all carried out with due care and efficiency during the year.

The total expenditure incurred under the Public Works and Electrical votes was £23,997 in 1933; an average number of one hundred and thirty men, exclusive of monthly employees, were on the pay roll during the year, as compared with one hundred and ten in 1932 and seventy-eight in 1931.

XIII.—JUSTICE AND POLICE.

The judicial system of the Colony is limited to a Supreme Court, in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace and as such have power to deal with minor offences. The local Police Force consists of four constables and a chief constable and is stationed entirely in Stanley. The Police Force is adequate to provide generally for the peace of the Colony and the security of life and property. There is practically no crime in the Colony. Nine persons were dealt with in 1933 for minor offences in the Summary Court and all were convicted. No criminal issue went to the Supreme Court during that year or in the previous year. There were no juvenile cases.

The chief constable is gaoler-in-charge of the gaol in Stanley. The gaol was inspected regularly by the medical authority and was found to be in a highly satisfactory condition.

XIV.—LEGISLATION.

Eight Ordinances were passed by the Legislative Council in 1933, the most important of which were as follows :—

The Whale Fishery (Amendment) Ordinance, 1933, providing for the grant of licences for the use of floating factories and whale catchers.

The Customs (Amendment) Ordinance, 1933, providing for the prohibition of the export of arms and ammunition.

The Tariff (Import Duties) Amendment Ordinance, 1933, providing for the exemption of import duties on matches manufactured in and consigned from any part of the British Empire ; and a preferential tariff on cigars, cigarettes, cut and manufactured tobacco and snuff manufactured in any part of the British Empire from tobacco which is the produce of any part of the British Empire.

The following subsidiary legislation was also enacted during the year :—

Rules of the 31st May, 1933, relative to the granting of patents for inventions made by Civil Servants in the Colony of the Falkland Islands and its Dependencies.

Rules of the 19th December, 1933, styled The Falkland Islands Currency Notes (Amendment) Rules, 1933, relative to withdrawal of currency notes of the " A " and " B " series.

Regulations of the 31st October, 1933, styled the Government Schools (Amendment) Regulations, 1933, fixing school fees.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1933 from all sources was £66,417, as compared with £98,463 in 1932, and from ordinary sources £59,333, as compared with £64,199 in 1932. The excess in 1932 was due to the appreciation of the market value of the Colony's Investments.

The expenditure on recurrent services was £37,156, or less by £1,565 than that in 1932, and less by £22,177 than the revenue from ordinary sources. In addition extraordinary expenditure amounting to £13,786 was incurred mainly in connexion with the measures undertaken to relieve unemployment. A further sum of £1,392 was expended in connexion with the Centenary celebrations of the Colony. The revenue from all sources during the year exceeded the total expenditure of £52,335 by £14,082.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1929	66,650	73,599	46,000	59,041
1930	62,094	82,812	39,128	69,979
1931	51,805	78,397	38,977	72,676
1932	64,199	98,463	38,711	54,798
1933	59,333	66,417	37,156	52,335

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1933, amounted to £290,673, made up as follows :—

	£
Land Sales Fund	271,916
Other Surplus	18,757
	£290,673

The Colony's Reserve Fund on 31st December, 1933, amounted to £38,734.

The main heads of taxation are :—

1. Customs import and export duties.
2. Rates levied on house property.

The Customs import duties are on wines, malt, spirits, tobacco, and matches, at the following rates :—

Wines ...	3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints.
Malt ...	6d. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits ...	20s. a gallon.
Tobacco ...	4s. a pound.
Matches ...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the full duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates :—

Wool	1s. for every twenty-five pounds.
Whale oil and seal oil ...	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The yield in 1933 from each source was as follows :—

	£
Import Duties	4,799
Export Duties	8,312
Rate on house property	797

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the "Discovery" Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1933 the average mean temperature was 34·97° Fahrenheit. Rain fell on eighty-three days and snow or sleet on one hundred and thirty-six days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch, and known locally as the "Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928–29 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–21 and 1821–22 by no less than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–24 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. A new and valuable survey of the South Sandwich group was carried out in 1930 by the Royal Research ship *Discovery II* of the "Discovery" Expedition.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia ; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

As has been stated in the preceding chapters, there is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is entirely resident either on the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it exceeds 1,000, practically all males, but during the winter it is not more than one-third of that number. At the census taken on 26th April, 1931, the number of persons at South Georgia, including shipping, was recorded as five hundred and sixty-three and at the South Shetlands as one hundred and forty-six ; among these one female only appears. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian or Scandinavian. Two deaths, no births, and one marriage occurred in the Dependencies in 1933.

IV.—HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness arises from the lack of fresh food-stuffs.

No Medical Officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies, and at Deception Island a very efficient hospital is kept in commission during the season by the Hektor Company.

Weather conditions in 1933 were not favourable but, as usual, health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression bordering in some cases on melancholia.

V.—HOUSING.

The question of housing does not really arise in South Georgia or in the other Dependencies. All the officials are suitably housed in the quarters at King Edward Cove and the arrangements made by the whaling companies to accommodate the personnel working on their stations are fully adequate.

VI.—PRODUCTION.

Two whaling companies operated during the season at South Georgia as against one in the 1932–33 season. The land station at Deception Island remained closed. The depression in the whale oil market continued ; the quota restrictions remained in force and limited the production of oil.

No floating factories worked under licence from the Government, although a number of expeditions fished on the high seas and off the ice-pack.

Whales were numerous at South Georgia throughout most of the season and the average production per " standard whale " was considerably higher than in the previous season.

The total catch at South Georgia amounted to 2,364 whales, made up of 536 blue, 1,728 fin, 92 humpback, 7 sperm and 1 right whale.

The quantity of oil produced was 132,190 barrels with an average per " standard whale " of 92·37.

There were also produced 123,996 bags of guano, each of 100 kilogrammes.

The following table shows, for comparative purposes, the actual catch, " standard whales," the oil and guano production, and the average of oil and guano per standard whale for the past five seasons at South Georgia :—

Season.	*Actual Whales.*	*" Standard Whales."*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages. Oil.*	*Guano.*
1929–30 ...	4,210	2,255	242,950	242,720	107·74	107·63
1930–31 ...	2,736	1,846	188,044	181,152	101·86	98·13
1931–32 ...	2,205	1,310	124,337	113,420	94·91	86·58
1932–33 ...	996	631	54,583	49,572	86·50	78·56
1933–34 ...	2,364	1,431	132,190	123,996	92·37	86·65

During the season a number of Falkland Islands labourers were employed in the whaling industry by the Compania Argentina de Pesca and the South Georgia Company, Limited.

Depression in the whaling industry still continues and no improvement is in sight. It is expected that two of the land stations in South Georgia will operate during the 1934–35 season, but there appears no prospect of the land station in Deception Island reopening until conditions improve.

VII.—COMMERCE.

The value of the total trade of the Dependencies in 1933 was £537,910, of which £200,557 represented imports and £337,353 exports. Of the imports, whale oil (for re-export) accounted for £102,982; coal, coke and oil fuel, £56,888; hardware, £12,212; and provisions, £8,523. The exports of whale and seal oil amounted to £293,764, and of guano and bone meal to £41,674.

The following table gives the comparative values of the trade of the Dependencies during the past five years :—

	£	£	£
	Imports.	*Exports.*	*Total.*
1929	626,746	5,164,709	5,791,453
1930	499,829	2,726,173	3,226,002
1931	311,388	1,748,467	2,059,855
1932	228,952	369,542	598,494
1933	200,557	337,353	537,910

The decrease in the value of the import and export trade is due to the continued depression in the whaling industry, coupled with the increased production of whale oil in factory ships working outside territorial waters and often remote from the Dependencies. Excluding importations and exportations of whale oil from and for the "high seas," about 39 per cent of the value of the imports came from the United Kingdom. About 96 per cent. of the total exports were shipped to the United Kingdom. The bulk of the coal imported was obtained from the United Kingdom and of the fuel oil from the Dutch West Indies. About 60 per cent. of the hardware came from Norway and 32 per cent. from the United Kingdom, while provisions show 28 per cent. from Norway, 33 per cent. from the Argentine, and 37 per cent. from the United Kingdom.

Whale and seal oil and guano were exported principally to the United Kingdom.

There was no change during the year 1933 in the price of oil which ranged from £10 to £15 a ton according to grade. Large quantities of oil remained unsold and the companies continued to restrict the output on a quota basis during the 1933–34 season. Future prospects continue to be uncertain.

VIII.—WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a

month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their station the question of the cost of living does not arise.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

The whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken in football and in other forms of sport such as ski-ing during the deep snow of the winter months.

X.—COMMUNICATIONS AND TRANSPORT.

As has been stated in a previous chapter of this Report, the contract with the Tonsberg Whaling Company for the conveyance of mails to and from South Georgia was terminated during the year, and provisional arrangements were made with the Falkland Islands Company, Limited, to continue the service with the s.s. *Lafonia* which makes four voyages a year. During the whaling season direct sailings between Europe and South Georgia in either direction are in the normal course not infrequent and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in October and on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys.

There are no railways or roads in the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1933 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	40	88,025	—	—
Foreign (mostly Norwegian) ...	13	20,253	1	734
	53	108,278	1	734

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. During 1933 no case of serious crime was brought before the Courts. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, calling seldom for the intervention of the civil authorities : a fact which in itself speaks highly for the standard of discipline maintained by the managers of the several stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—PUBLIC FINANCE AND TAXATION.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1933 to £12,081. The expenditure excluding that from the Research and Development Fund was £18,384.

The following table shows the comparative figures of revenue and expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1929	122,814	39,385
1930	84,547	21,597
1931	48,133	31,129
1932	17,446	20,143
1933	12,081	18,384

The continued decline in the returns, both of revenue and of expenditure, is due to the drastically restricted scale on which whaling operations were conducted during the year by reason of the depressed conditions of the oil market.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1933, was £412,676, earmarked as follows :—

	£
Research and Development Fund	407,814
" Discovery " Pension Fund	4,862
	£412,676

The main heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £429 in 1933 and export duties to £8,557. The Customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil stood at 1s. 6d. a barrel or 9s. a ton. The export duty on guano is at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

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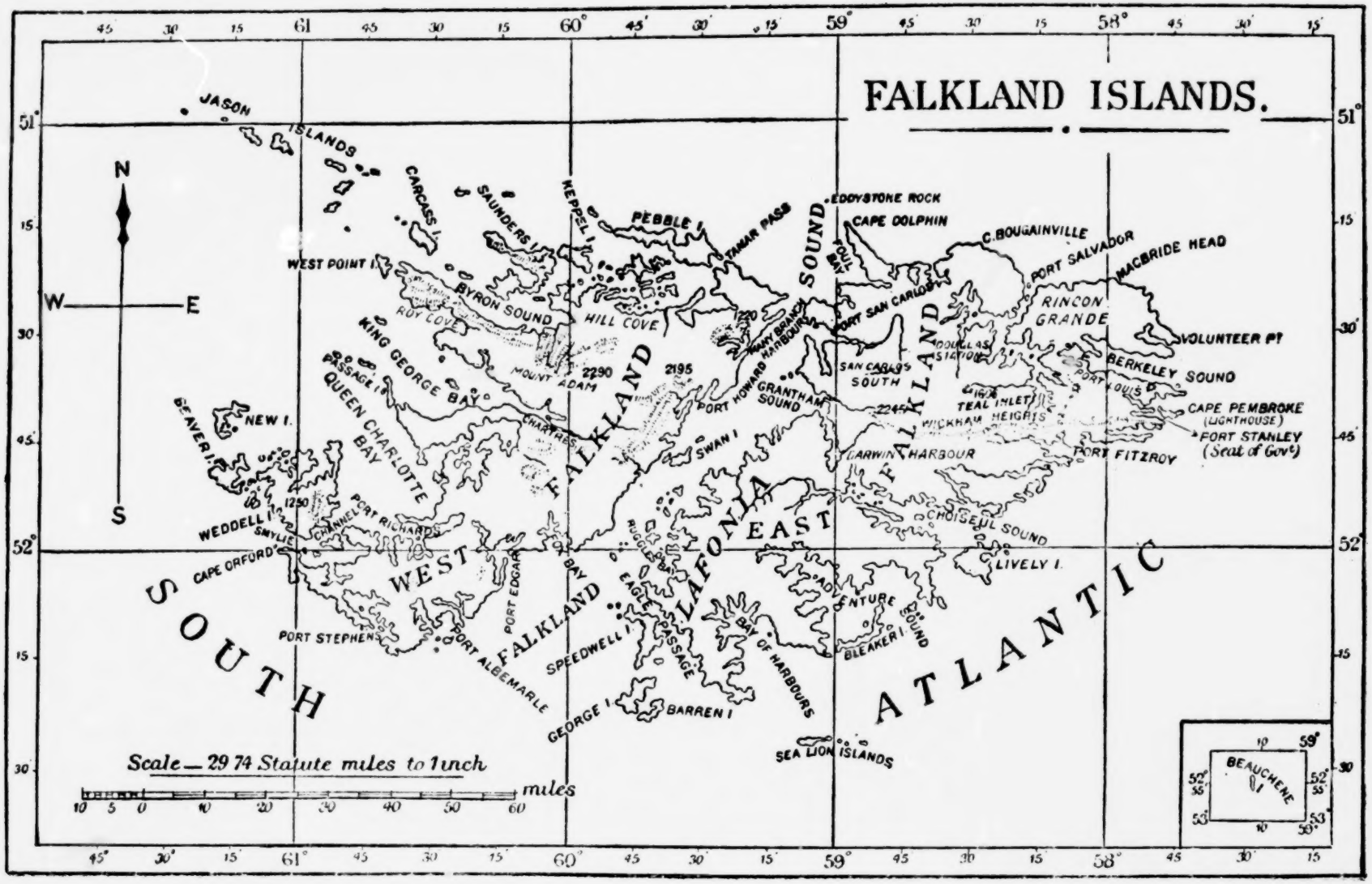

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WEST INDIES.
Report of the Closer Union Commission. (Leeward Islands, Windward Islands, Trinidad and Tobago.) [Cmd. 4383.] 1*s.* (1*s.* 1*d.*).
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1934

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[*Continued on page 3 of cover.*

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1934

TABLE OF CONTENTS

Chapter.	Colony. *Page.*	Dependencies. *Page.*
I.—Geography, Climate, and History	2	18
II.—Government	4	19
III.—Population	5	20
IV.—Health	5	20
V.—Housing	7	21
VI.—Production	8	21
VII.—Commerce	9	21
VIII.—Wages and Cost of Living	10	22
IX.—Education and Welfare Institutions	11	22
X.—Communications and Transport	12	23
XI.—Banking, Currency, and Weights and Measures	14	23
XII.—Public Works	14	23
XIII.—Justice and Police	15	24
XIV.—Legislation	16	24
XV.—Public Finance and Taxation	16	24
Appendix—Bibliography	25	
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 feet in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about twelve hundred inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided ; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about one hundred persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 inches, precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting twenty-four hours.

The Falkland Islands, called by the French " Isles Malouines " and by the Spaniards " Islas Malvinas", were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of the

well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and one unofficial members. There is

also a Legislative Council composed of four official and two unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local government in the Colony.

III.—POPULATION.

The inhabitants of the Falkland Islands are of European and chiefly of British descent, in which Scotch blood is marked. There is no indigenous or native population.

The estimated population on 31st December, 1934, was 2,437, made up of 1,366 males and 1,071 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between outlying districts of the East and West Falklands. The number of births registered in 1934 was fifty-four, and of deaths twenty-eight, or respectively 22·16 and 11·49 per 1,000. Twenty-seven marriages were celebrated during the year. One death occurred among infants under one year of age. One hundred and five persons arrived in the Colony and one hundred and twenty-one persons left in the course of the period under review.

IV.—HEALTH.

The general health of the community has been good. There were small outbreaks of scarlet fever, ringworm, measles, chickenpox, influenza and impetigo, but these were quickly suppressed.

The climate is very healthy, though somewhat trying to people from the United Kingdom owing to constant high winds in summer. Weather conditions are definitely more pleasant in winter than they are in the greater part of England. The conditions of living generally are of a reasonably good standard, though limited resources and horizons render the country unsuitable for persons of a neurasthenic tendency. An adequate variety of diet is obtainable and the quality of the food is good. Good vegetables of different varieties can be grown. Fruit has to be imported from Montevideo.

The general oral hygiene of the people is improving in proportion to their greater attention to their dental condition. During the year the Government Dental Surgeon made tours of the East and West Falklands. That these visits are essential is evidenced by the number of people attending from various districts.

All children of sixteen years and under receive free treatment and advice from the Dental Surgeon, who makes frequent visits of inspection to the schools in Stanley. A special clinic for school children is held every Saturday morning.

Vaccination is compulsory under the Vaccination Ordinance, 1868. The majority of children born in Stanley are vaccinated before they are a year old. Those born in outlying districts are vaccinated by Medical Officers when on tour.

There was a decrease in the number of cases of appendicitis, twenty-eight coming under operative treatment as against thirty-two in 1933.

Seventeen cases of tuberculosis were observed during the year; of these, seven were pulmonary, four osseous, four abdominal lesions, and two, cases of cervical adenitis. This is an increase over the year 1933, when seven cases were reported. Seven deaths resulted. This disease shows definite signs of being on the increase.

The incidence of coughs and severe colds during the month of August was high. Influenza broke out during the year and spread to the West Falklands.

There were three cases of scarlet fever during the year; no deaths resulted.

There was an outbreak of measles limited to one family in Stanley: outbreak traced to Magallanes.

A few cases of ringworm from last year's outbreak appeared for treatment. No fresh cases were reported.

The Government maintains out of public funds a hospital in Stanley, under the style of the King Edward VII Memorial Hospital. The hospital comprises twelve beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved type of X-ray apparatus has been installed.

The staff of the Medical Department includes the Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to Junior Nurses locally recruited and trained.

The Medical Officer made periodical tours of outlying districts in the East Falkland. Satisfactory reports on health conditions were received. It is to be observed in this connexion that the Falkland Islands Company, Limited, maintain their own Medical Officer at Darwin.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1934, 102 persons were admitted as in-patients. The out-patients showed an increase in number over the previous year. Five deaths occurred in the hospital. Ninety-three operations were performed with uniformly good results and many minor operations were carried out in the out-patient department.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint diseases.

Sewage in the town of Stanley is disposed of partly by the water-carriage system and partly by the earth-closet method. It is satisfactory to record that the number of inhabitants taking advantage of water-carriage facilities is steadily increasing. The night soil from earth closets is removed by means of special carts under the control of the Public Works Department. The disposal of sewage, which is deposited in the harbour, is efficient, as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health by-laws, all ashes and household refuse must be stored in properly constructed bins which are required to be emptied once a month at least. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate to present needs. The drainage system of the town continues to be improved.

There are three licensed slaughter-houses in Stanley: these were inspected with reasonable frequency and were found to comply with the Board of Health by-laws. Meat for human consumption was also inspected at regular intervals.

Dairies were inspected from time to time and found to be fairly satisfactory. Samples of milk tested showed that the standard of cleanliness has been maintained. No sample was found to contain bacilli of tuberculosis.

Bi-annual rat weeks continued, with considerable success; rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

Certain new houses were erected during the year. The buildings erected are of a suitable type, and conform to the requirements of the Board of Health both as regards construction and sanitary arrangements.

There is now no overcrowding in Stanley, the rate of building being adequate to the needs of the population. In the majority of cases, the wage-earning population own their own houses, which are well built and comfortable. Building loans are made by the Government in suitable cases, to facilitate the construction of new houses. The Government also maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector, and householders are required to keep their premises in as sanitary a condition as circumstances permit. In case of need, powers exist to condemn premises as unfit for human occupation.

In recent years housing conditions have been much improved by the provision of an adequate water supply, and also by the disposal of sewage by water-carriage.

VI.—PRODUCTION.

Wool, skins, and tallow are the principal products of the Colony at the present time. All produce is exported to the United Kingdom.

Sheep farms vary approximately in extent from 24,000 acres to 150,000 acres, and carry on the average between 8,000 and 35,000 sheep, or, say, one sheep for every three to five acres.

No statistics are kept of the actual quantity of wool produced in any one year, as distinct from the quantity exported. The average production during the past six years was four million pounds annually. The actual return of wool exported during 1934 was 3,992,984 lb. valued at £130,325. The average price realized was just over 7¾d. per lb., as against an average price of about 6d. per lb. in 1933, and 7d. per lb. in 1932.

Economic conditions showed a slight improvement in the year under review, and, if specie exports be disregarded, the total value of exports was the highest recorded since 1930.

Hides and skins exported realized £9,257, as against £8,807 in the preceding year, or an increase of £450.

Live stock.—During the year a number of rams were imported from the United Kingdom, for the purpose of improving flocks in the Colony.

General.—Apart from the commodities above described, the Colony has no resources of known commercial value. Forage crops are produced to a limited extent, but with this exception there is practically no agriculture in the Colony.

VII.—COMMERCE.

The state of the trade of the Colony, as reflected by the values of imports and exports during the year 1934, and as compared with previous years was as follows :—

Imports.	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*
	£	£	£	£	£
Food, drink, and tobacco ...	44,584	40,267	33,117	28,858	35,113
Raw materials and articles mainly unmanufactured.	13,057	12,093	8,210	5,902	9,125
Articles wholly or mainly manufactured.	53,613	56,965	39,561	33,729	45,644
Miscellaneous and unclassified	5,191	1,415	1,162	747	1,315
Bullion and specie	—	35	—	25	750
Total imports	£116,445	110,775	82,050	69,261	91,947

Exports.	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*
	£	£	£	£	£
Wool	190,943	125,818	109,475	100,749	130,325
Hides and skins	14,704	8,941	5,119	8,807	9,257
Tallow	722	1,860	1,150	1,768	1,867
Live stock	473	—	246	—	—
Seal oil	5,920	—	5,000	4,660	16
Bullion and specie	—	8,000	—	—	—
Other articles	1,179	2,334	957	988	1,249
Total exports	£213,941	146,953	121,947	116,972	142,714

The actual quantity of wool exported in 1934 was less than that in the preceding year, by 28,460 lb. but the price realized was approximately 2d. per lb. better.

Imports.

The principal articles imported during 1934 were, in value :—

	£
Provisions	19,985
Hardware...	13,268
Drapery, etc.	7,718
Coal, coke, and oil fuel	3,705
Timber	5,420
Paints, etc.	5,404
Chemicals...	4,604

and in quantities :—

Beer	17,922 gallons.
Spirits	3,607 ,,
Tobacco	14,121 lbs.
Wines	1,635 gallons.

Approximately 80 per cent. of the total imports came from the United Kingdom.

The countries of origin were as follows :—

	£
United Kingdom	73,234
Other parts of the British Empire	84
Total from the British Empire ...	...£73,318
Uruguay	9,780
Argentine	3,459
Chile	3,530
Other countries	1,860
Total from foreign countries ...	... £18,629

Exports.

Almost the whole of the export trade of the Colony was to the United Kingdom, exports to other countries only amounting to a value of £721.

The following is a comparative table showing the quantities exported during the past five years :—

	1930.	*1931.*	*1932.*	*1933.*	*1934.*
Wool (*lb.*)	3,690,572	3,931,595	3,934,852	4,021,444	3,992,984
Tallow (*lb.*)	158,368	275,520	164,642	425,712	235,200
Hides and sheepskins (No.)	52,091	73,566	56,565	77,679	100,844
Seal oil (barrels) ...	2,424	—	1,701	1,806	8

VIII.—WAGES AND COST OF LIVING.

The average rate of wages for unskilled labour is 1s. 2d. an hour and for skilled labour, 1s. 4d. an hour. Artisans receive 1s. 7d. an hour. The hours of work are eight hours a day, with a total of 40 to 45 hours a week.

In domestic service, monthly wages with board and lodging, for housemaids vary from £2 to £3 10s. 0d. ; for cooks, from £3 to £4 10s. 0d.

Owing to the continued depression in the sheepfarming industry there was no reduction in the number of men seeking employment in Stanley. The majority were employed on works undertaken by the Government to relieve unemployment, and in consequence there was no actual distress.

The average rate of wages on farm stations was £6 to £7 a month with quarters, fuel, meat and milk free.

The cost of living has varied little during the year. The average prices of the main articles of food were as follows :—

Mutton	3d. per lb.
Beef	5d. per lb.
Pork, fresh...	1s. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per dozen.
Milk	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4 lb. loaf.
Sugar	3d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 6d. per lb.
Fresh vegetables	5d. per lb.
Butter (imported)...	1s. 4d. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

On the whole the cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and convenience at charges ranging from £2 2s. 0d. to £3 3s. 0d. per week.

Unfurnished houses for workmen cost from £2 to £3 per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are difficult to obtain and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made in approved cases to enable children from country districts to be taught in Stanley.

For the benefit of children who are unable to come to Stanley, the Government maintains three itinerant schoolmasters on the West Falkland Island and one on the East Falkland Island.

The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition certain itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions, and no legislative provision for maintenance in the event of accident, sickness, or old age.

Poor relief is granted by the Government in certain necessitous cases. The cost in 1934 amounted to £199.

A society known as the Stanley Benefit Club insures its members for sickness and death.

There are three social clubs, namely, the Colony Club, the Falkland Club and the Working Men's Social Club.

There are football, badminton, golf, and hockey clubs, all of which are flourishing.

The Stanley Sports Association holds an annual sports meeting in December of each year for horse racing and athletic events.

The Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual Meeting at Stanley on the lines of those held at Bisley. The Falkland Islands team won the Junior Kolapore Cup at Bisley in 1930, and again in 1934. In the latter year it also secured third place in the Junior Mackinnon competition. Miniature rifle shooting on the modern and well-equipped miniature range in the Drill Hall is very popular during the winter months. The local Miniature Rifle Association has been eminently successful in the competitions inaugurated by the Society of Miniature Rifle Clubs, having won the trophy put up in the Colonial Rifle Associations Small Bore Match on two occasions, namely in 1932 and 1934, whilst it carried away the honours in the Dominion Clubs' Team shoot in 1933.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey and gymnastics, as well as the formal Swedish drill.

There are also public baths, and a well-equipped gymnasium.

The Town Hall, Stanley, is well equipped with modern appliances for theatrical productions. It can seat an audience of 500 people in comfort and safety. It has a very fine dance floor and is much used for that purpose particularly during the winter months.

The Boy Scouts, Girl Guides, and Rover Sea Scouts continued their useful work. There are also troops of Cubs and Brownies.

There is one cinema in Stanley. There is also a public library at which books to suit every taste may be obtained.

X.—COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Monte Video to which port a service is maintained by the s.s. *Lafonia*, a vessel of some 600 tons dead weight,

belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from October, 1931. In addition, calls homeward and outward are made at Stanley at irregular and infrequent intervals by cargo vessels of the Pacific Steam Navigation Company, Limited. The calls made in 1934 totalled seven homeward and outward.

The distance from Stanley to Monte Video is rather more than a thousand miles and the time taken on the voyage by the s.s. *Lafonia* averages four and a half days, and by other vessels from three to five days according to the class of vessel.

The average time occupied in the transit of mails to and from the United Kingdom, via Monte Video, is 26 days ; by the direct route passenger vessels complete the journey in the same time and the cargo vessels require upwards of a month to five weeks on the voyage home, which is performed almost invariably from Stanley to London without intermediate stop, and on the outward voyage upwards of five weeks dependent on the number of intermediate stops.

On the average, opportunities for the receipt and despatch of mails are available every four to five weeks.

Provisional arrangements were made with the Falkland Islands Company, Limited, for the maintenance of communication with South Georgia by the s.s. *Lafonia* which makes four voyages during the year. The time taken on the voyage between Stanley and South Georgia averages three and a half days.

During the whaling season, October—April, opportunities occur from time to time for the conveyance of mails between Europe and South Georgia by means of floating factories and transports engaged in the whaling industry.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained direct with London and Monte Video, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraph charges to the United Kingdom are 2s. 6d. a word for "ordinary," 1s. 3d. a word for "deferred," and 1s. 6d. a word for "code" messages.

There are no submarine cables.

The postal rate for the United Kingdom and the Empire is one penny per ounce.

At the end of 1934 there were 44 wireless sets licensed.

The Government maintains a broadcast relay service. The licence for subscribers to this service is £1 per annum and the number of licences issued in 1934 was 113. The principal overseas programmes are relayed from the Broadcasting Studio to subscribers. Local programmes of gramophone records are also given as well as news and sports items from England.

There are no railways in the Colony. Certain roads suitable for motor traffic have been constructed to a limited extent. Internal communication is carried out on horseback or by boat. The inter-insular service for mails and passengers is carried out by the s.s. *Lafonia*.

There are no inland telegraphs, but a telephone system is maintained by the Government in Stanley both for official and general use. In the outlying districts privately-owned lines join up with the Stanley system on the East Falkland, and on the West Falkland converge at Fox Bay, where the Government also maintains a small radio station for the purpose of local traffic. Two farm stations have constructed radio stations of low power for local communication.

There are no omnibuses or tramways in the Colony and no air mail and passenger service.

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

The only bank in the Colony is the Government Savings Bank. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1934, the total sum deposited was £201,302, and the number of depositors 1,041. The average amount standing to the credit of each depositor was £193, or about £83 per head of the population.

There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. A similar service is undertaken by the Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and a paper currency of 10s., £1 and £5 notes issued by the Colonial Government under the Falkland Islands Currency Note Ordinance, 1930. It is estimated that on 31st December, 1934, there were £3,000 of coin and £22,000 of currency notes in circulation.

The system of weights and measures in use in the Colony is the same as that in the United Kingdom.

XII.—PUBLIC WORKS.

During the year, the road leading eastwards from Stanley to Surf Bay on the south shore was completed. This road, which has been constructed at a cost of about £7,000, will prove a boon from the aspect of both health and pleasure, and also in providing easy means of access to the peat deposits adjacent to its route.

Work was continued during the year on the construction of roads towards the north camp and Mount Harriet on the Darwin track. Good progress was made, but for reasons of economy the work has since been discontinued.

Considerable work was carried out on the erection of sea-walls to the east and west of Stanley.

During the year, the bridge over the Fitzroy river was completed. The bridge was constructed by the Falkland Islands Company, Limited, who received from the Colonial Government a subsidy of £800 towards its cost.

A necessary work was commenced in the construction of roads towards the peat deposits. These roads when completed will facilitate the transport of peat fuel.

Improvements were effected in the town of Stanley during the year, particularly in regard to drainage facilities for the new building area to the south of the town. The roads were also improved by treatment with bitumen solution.

During the year, the water mains were extended. Applications for water-supply connexions showed a steady increase, but to meet these, an additional water supply will have to be provided.

There was an increase in demand for electric light, and in consequence it was found necessary further to extend the system.

In addition to its other activities, the Public Works Department undertakes the usual maintenance services, including conservancy, and water supply for the town. The Department is also responsible for the considerable quantity of peat fuel which is required for Government services. To its charge are committed, furthermore, the general upkeep of all Government buildings and property, in particular of plant, sea-walls, bridges, fences, jetties and harbour lights, and in addition, the maintenance of the lights on William Point and on Porpoise Point near North Arm.

The total expenditure incurred under the Public Works and Electrical votes was £27,411 in 1934. An average number of 137 men, exclusive of monthly employees, were on the pay roll during the year, as compared with 130 in 1933, and 78 in 1931.

XIII.—JUSTICE AND POLICE.

The judicial system of the Colony is administered by a Supreme Court, in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. The local Police Force consists of four constables and a chief constable, and is stationed entirely in Stanley. The Police Force is adequate to provide generally for the peace of the Colony and the security of life and property. There is practically no crime in the Colony. Three persons were dealt with in 1934 for minor offences

in the Summary Court and all were convicted. No criminal issue went to the Supreme Court during the year or in the previous year. One case only came before the Juvenile Court.

The Chief Constable is Gaoler-in-charge of the gaol in Stanley. The gaol was inspected regularly by the medical authority, and was found to be in a highly satisfactory condition.

XIV.—LEGISLATION.

Eleven Ordinances were passed by the Legislative Council in 1934, the most important of which were as follows :—

The Whale Fishery (Amendment) Ordinance, 1934, regarding licences granted under the Principal Ordinance, and providing security for the granting of whaling licences.

The Dangerous Drugs (Amendment) Ordinance, 1934, providing for the import and export of dangerous drugs.

The Importation of Textiles (Quotas) Ordinance, 1934, providing for quotas in respect of textiles manufactured in foreign countries, which may be imported.

The following subsidiary legislation was also enacted during the year :—

Regulations made on 9th February, 1934, under the Pensions Ordinance, 1927, repealing and replacing Section 25 of the Principal Regulations.

Regulations of 29th March, 1934, under the Stanley Water Supply Ordinance, 1927, repealing and replacing The Stanley Water Supply Regulations, 1927.

Regulations of 14th June, 1934, under the Wireless Telegraphy Ordinance, 1925, regarding the interpretation of the word "Colony" in the Wireless Telegraphy Regulations, 1926.

Regulations of 31st July, 1934, under the Pensions Ordinance, 1927, amending Section 2 of the Pensions (Amendment) Regulations, 1934.

Rules made under the Falkland Islands Currency Notes Ordinance, 1930, regarding the withdrawal from circulation of Currency notes of the "A" and "B" series.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1934 from all sources was £102,700, as compared with £66,417 in 1933, and from ordinary sources £101,584, as compared with £59,333 in 1933. The excess in 1934 was due to the appreciation of the market value of the Colony's Investments.

The expenditure on recurrent services was £37,519, or more by £363 than that in 1933, and less by £64,065 than the revenue from ordinary sources. In addition, extraordinary expenditure amounting to £16,944 was incurred mainly in connexion with the measures undertaken to relieve unemployment. The revenue from

all sources during the year exceeded the total expenditure of £54,464 by £48,236.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1930	62,094	82,812	39,128	69,979
1931	51,805	78,397	38,977	72,676
1932	64,199	98,463	38,711	54,798
1933	59,333	66,417	37,156	52,335
1934	101,584	102,700	37,519	54,463

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1934, amounted to £307,007, made up as follows :—

	£
Land Sales Fund	241,129
Other Surplus	65,878
	£307,007

The Colony's Reserve Fund on 31st December, 1934, amounted to £39,142.

The main heads of taxation are :—

1. Customs import and export duties.
2. Rates levied on house property.

The Customs import duties are on wines, malt, spirits, tobacco and matches, at the following rates :—

Wines ...	3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints.
Malt ...	6d. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits ...	20s. a gallon.
Tobacco ...	4s. a pound.
Matches ...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the full duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates :—

Wool	1s. for every 25 lbs.
Whale oil and seal oil ...	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The yield in 1934 from each source was as follows :—

	£
Import Duties	7,264
Export Duties	8,006
Rate on house property	829

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the "Discovery" Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1934 the average mean temperature was 37·11° Fahrenheit. Rain fell on 121 days and snow or sleet on 120 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced, when a large rock forming the crest of a natural arch, and known locally as the "Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928–29 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–21 and 1821–22 by no less than ninety-one vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–24 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. A new and valuable survey of the South Sandwich group was carried out in 1930 by the Royal Research ship *Discovery II* of the "Discovery" Expedition.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

As has been stated in the preceding chapters, there is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is entirely resident either on the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it exceeds 1,000, practically all males, but during the winter it is not more than one-third of that number. At the census taken on 26th April, 1931, the number of persons at South Georgia, including shipping, was recorded as five hundred and sixty-three and at the South Shetlands as one hundred and forty-six; among these one female only appears. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian or Scandinavian. One death, and one birth occurred in the Dependencies in 1934.

IV.—HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness arises from the lack of fresh food-stuffs.

No Medical Officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions in 1934 were worse than any experienced for some years, but, as usual, health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression bordering in some cases on melancholia.

V.—HOUSING.

The question of housing does not really arise in South Georgia or in the other Dependencies. All the officials are suitably housed in the quarters at King Edward Cove and the arrangements made by the whaling companies to accommodate the personnel working on their stations are fully adequate.

VI.—PRODUCTION.

Two whaling companies operated during the season at South Georgia, as against one in the previous season. The land station at Deception Island remained closed. The depression in the whale oil market continued; the arrangements for limiting the production of oil by quota broke down, but, in spite of this, there was a decrease in the production, due mainly to the exceptionally adverse weather conditions which prevailed throughout the season.

The total catch at South Georgia amounted to 1,575 whales, made up of 556 Blue, 836 Fin, 23 Humpback, 35 Sperm, and 125 Sei.

The quantity of oil produced was 108,261 barrels, with an average per "Standard" whale of 105·90.

There were also produced 91,073 bags of guano, each of 100 kilogrammes.

The following table shows the oil and guano production, and the average of oil and guano per "Standard" whale for the past five seasons at South Georgia :—

Season.	*Actual Whales.*	*"Standard" Whales.*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages.* *Oil.*	*Guano.*
1930–31 ...	2,736	1,846	188,044	181,152	101·86	98·13
1931–32 ...	2,205	1,310	124,337	113,420	94·91	86·58
1932–33 ...	996	631	54,583	49,572	86·50	78·56
1933–34 ...	2,364	1,431	132,190	123,996	92·37	86·65
1934–35 ...	1,575	1,022	108,261	91,073	105·90	89·09

During the season a number of Falkland Islands labourers were employed in the whaling industry by the Compania Argentina de Pesca and the South Georgia Company, Limited.

It is expected that two of the land stations in South Georgia will operate during the 1935–36 season, and there appears some prospect of the land station in Deception Island reopening in the coming season.

VII.—COMMERCE.

The value of the total trade of the Dependencies in 1934 was £660,332, of which £204,854 represented imports and £455,468 exports. Of the imports, whale oil (for re-export) accounted for £93,842; coal, coke and oil fuel, £70,585; hardware, £13,778; and provisions, £6,593. The export of whale and seal oil amounted to £374,687, and of guano and bone meal to £67,359.

The following table gives the comparative values of the trade of the Dependencies during the past five years :—

	£ *Imports.*	£ *Exports.*	£ *Total.*
1930	499,829	2,726,173	3,226,002
1931	311,388	1,748,467	2,059,855
1932	228,952	369,542	598,494
1933	200,557	337,353	537,910
1934	204,854	455,468	660,322

As noted in the preceding chapter, depression in the whaling industry continued, and this, coupled with the increased number of factories operating outside the territorial waters of the Dependencies, is responsible for the decline in the value of the import and export trade. Excluding importations and exportations of whale oil from and for the "High seas," about 30 per cent. of the value of the imports came from the United Kingdom. About 90 per cent. of the total exports were shipped to the United Kingdom. The bulk of the coal imported was obtained from the United Kingdom, and of the fuel oil from the Dutch West Indies. About 60 per cent. of the hardware came from Norway and 28 per cent. from the United Kingdom, while provisions show 23 per cent. from Norway, 25 per cent. from the Argentine, and 49 per cent. from the United Kingdom.

Whale and seal oil and guano were exported principally to the United Kingdom.

The price of oil during 1934 ranged from £10 to £15 a ton, according to grade.

VIII.—WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is specially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their station the question of the cost of living does not arise.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and therefore the problem of education does not arise.

The whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken in football and in other forms of sport such as ski-ing during the winter months, when there is deep snow.

X.—COMMUNICATIONS AND TRANSPORT.

As has been stated in a previous chapter of this report, provisional arrangements for four voyages a year have been made with the Falkland Islands Company, Limited, for the conveyance of mails to and from South Georgia. During the whaling season direct sailings from Europe to South Georgia and vice versa are in the normal course not infrequent, and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca*, of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in October, and on their return journey in April.

Mails are received and despatched either direct or via Stanley as opportunities offer. Postal rates are the same as those from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys.

There are no railways or roads in the Dependencies. Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1934 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	37	111,520	—	—
Foreign (mostly Norwegian) ...	19	24,579	1	734
	56	136,099	1	734

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. During 1934 no case of serious crime was brought before the Court. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, seldom calling for the intervention of the civil authorities : a fact which in itself speaks highly for the standard of discipline maintained by the managers of the several stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—PUBLIC FINANCE AND TAXATION.

The Dependencies' revenue is derived almost entirely from the whaling industry and amounted in 1934 to £14,892. The expenditure excluding that from the Research and Development Fund was £14,892.

The following table shows the comparative figures of revenue and expenditure during the past five years :—

	Revenue.	*Expenditure.*
	£	£
1930	84,547	21,597
1931	48,133	31,129
1932	17,446	20,143
1933	12,081	18,384
1934	14,892	14,892

The continued decline in the returns, both of revenue and of expenditure, is due to the drastically restricted scale on which whaling operations were conducted during the year by reason of the depressed conditions of the oil market.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1934, was £386,710, earmarked as follows :—

	£
Research and Development Fund	381,199
" Discovery " Pension Fund	5,511
	£386,710

The main heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £550 in 1934 and export duties to £11,904. The Customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil stood at 1s. 6d. a barrel or 9s. a ton. The export duty on guano is at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

Bibliography.

Books relating to the Falkland Islands.

Title.	*Author.*	*Date.*	*Publisher.*	*Price.* s. d.
Egmont Port, Account of last expedition.*	Bernard Penrose	1775	—	—
Falkland Islands.	G. T. Whitington	1840	Smith, Elder and Co. and J. Ridgway.	—
Falkland Islands.	Sir W. L. Allardyce, G.C.M.G.	1909	Garden City Press, Letchworth.	—
Story of the Falkland Islands and Dependencies.	Sir T. R. St. Johnstone, K.C.M.G.	1920	Colonial Secretary's Office, Stanley.	—
The Falkland Islands.	V. F. Boyson	1924	Clarendon Press	10 0
Falkland Islands, a short notice prepared on the occasion of the Centenary of the Colony.	J. M. Ellis	1933	Colonial Secretary's Office, Stanley.	1 0
Antarctica.	Nordenskjold and Anderson.	1905	Hurst and Blackett	18 0
Memorandum on the sheep-farming industry in the Falkland Islands.	Sir John Middleton, K.C.M.G., K.B.E.	1924	Colonial Secretary's Office, Stanley.	2 6
Report of an Investigation into the Conditions and Practice of Sheep-farming in the Falkland Islands.	Hugh Munro	1924	Colonial Secretary's Office, Stanley.	2 6
Final Report on Geological Investigations in the Falkland Islands, 1920-2.	H. A. Baker	1924	Colonial Secretary's Office, Stanley.	2 6
The Climate and Weather of the Falkland Islands.	C. E. P. Brooks	1923	Colonial Secretary's Office, Stanley.	1 0
A botanical survey of the Falkland Islands.	Carl Skottsberg	1913	Almquist and Wiksells, Uppsala.	11 6
Illustrations of the Flowering Plants and Ferns of the Falkland Islands.*	E. F. Vallentin	1921	Reeve.	42 0
Voyage of a Naturalist.	Charles Darwin	1882	John Murray	—
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Birds of the Falkland Islands.	A. F. Cobb, B.A., F.R.G.S.	1933	H. F. & G. Witherby	7 6
Books relating to the Dependencies.				
Report of the Interdepartmental Committee on Research and Development in the Dependencies of the Falkland Islands.	Cmd. 657	1920	H.M. Stationery Office.	2 6
South Georgia.	L. Harrison Matthews.	1931	Simpkin and Marshall, Ltd.	15 0
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Whaling and other Researches.	"Discovery" Reports.	1929–	Cambridge University Press.	Various prices.

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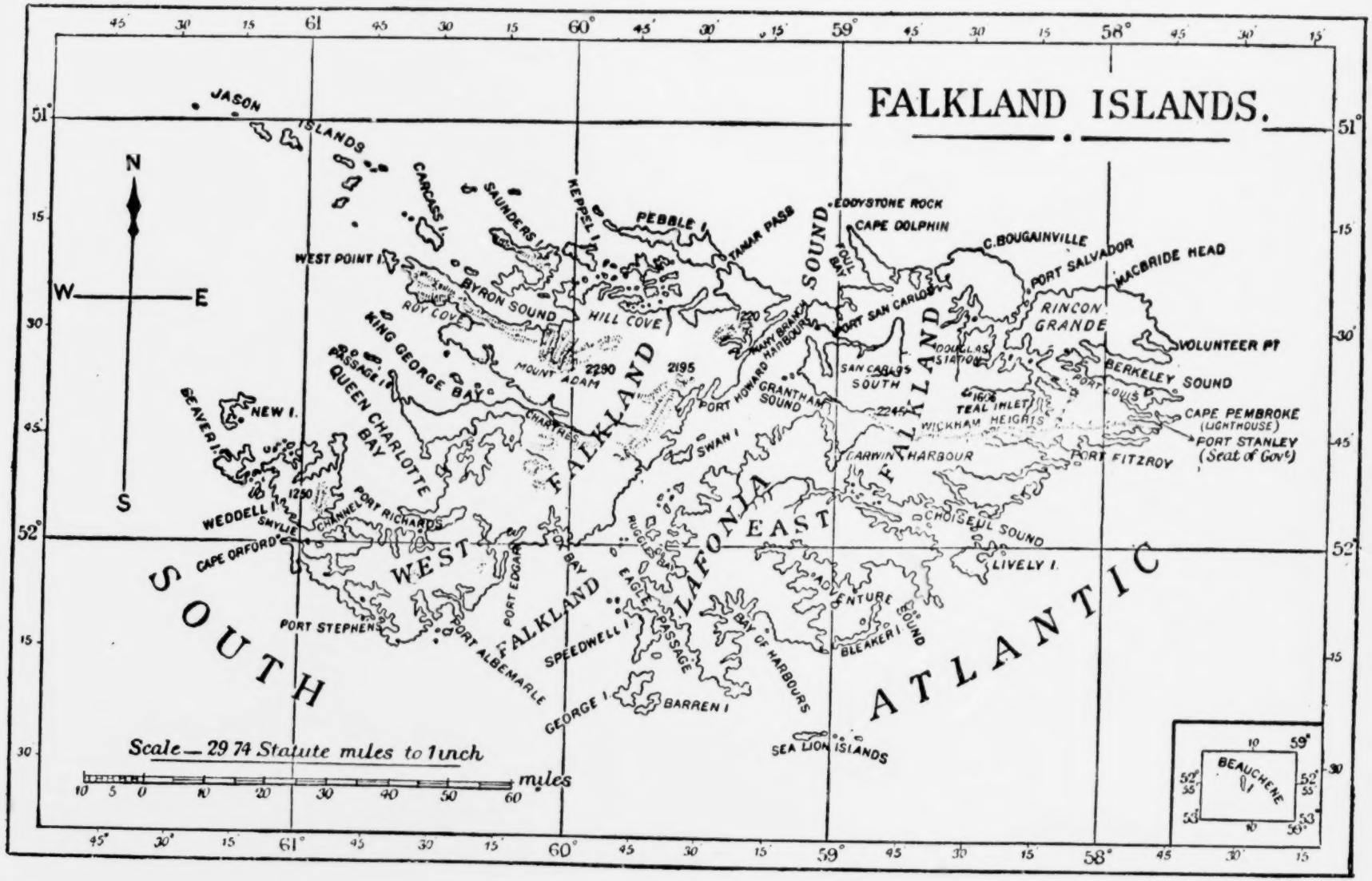

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1935

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Continued on page 3 of cover

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1935

TABLE OF CONTENTS

Chapter.	Colony. *Page.*	Dependencies. *Page.*
I.—Geography, Climate, and History	2	19
II.—Government	4	21
III.—Population	5	21
IV.—Health	5	21
V.—Housing	7	22
VI.—Production	8	22
VII.—Commerce	8	23
VIII.—Wages and Cost of Living	10	23
IX.—Education and Welfare Institutions	11	23
X.—Communications and Transport	12	24
XI.—Banking, Currency, and Weights and Measures	14	25
XII.—Public Works	14	25
XIII.—Justice and Police	15	25
XIV.—Legislation	16	25
XV.—Public Finance and Taxation	17	25
Appendix—Bibliography		27
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows:

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 ft. in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are almost entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about 1,200 inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about 100 persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 ins., precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting 24 hours.

The Falkland Islands, called by the French " Iles Malouines " and by the Spaniards " Islas Malvinas ", were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the

battle of Newbury in 1643; and from this the group afterwards took its Engish name of " Falkland Islands " although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe, through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and one unofficial members. There is also a Legislative Council composed of four official and four unofficial

members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local government in the Colony.

III.—POPULATION.

The inhabitants of the Falkland Islands are of European, chiefly British, descent, Scotch blood being marked. There is no indigenous or native population.

The 1931 census showed the total population as amounting to 2,392 compared with 2,094 in 1921 and 2,043 in 1901. Of this number, 1,358 were males and 1,034 females. On the 31st of December, 1935, the estimated population was 2,432, made up of 1,349 males and 1,083 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between outlying districts of the East and West Falklands. The number of births registered in 1935 was 50, and of deaths 19, or respectively 20·55 and 7·81 per 1,000. Twenty-two marriages were celebrated during the year. Two deaths occurred among children under the age of two years. Eighty-two persons arrived in the Colony and one hundred and eighteen persons left in the course of the period under review.

IV.—HEALTH.

The climate is healthy, especially in the Camp districts, but damp in and about Stanley ; consequently it is not very suitable for persons with any rheumatic tendencies.

During the summer months the constant high winds are rather trying. The weather conditions in winter are slightly milder and more pleasant than those of the north of England. The conditions of living are simple ; the ordinary social amenities of a larger Colony are almost entirely lacking. The quality of the food is good but lacks variety especially with regard to vegetables, but with care in cultivation it is possible to guarantee at least a nine months' supply. Fruit is imported from Montevideo and the supply becomes better each year with the improved transport and a greater local demand. Steps are being taken both by the Medical and Stock Departments to improve the supply of fresh milk in the town of Stanley.

Dental caries and pyorrhoea are very prevalent amongst the Falkland Islanders, the children suffering from defective teeth at a very early age. The contributory factors are lack of calcium in the water and a deficiency in green food. The Dental Surgeon makes periodical tours of the East and West Falklands and holds a special clinic for school children every Saturday morning.

Vaccination is compulsory and the Vaccination Ordinance is rigidly enforced, every Medical Officer being appointed a Public Vaccinator for the area in which he is stationed.

Gastritis and dyspepsia are common complaints. Twenty-eight appendicectomies were performed during 1935, the majority being in the quiescent stage. It is interesting to note that since 1920, 248 appendicectomies have been performed; this is 9·5 per cent. of the population. From time to time outbreaks of acute enteritis occur but so far the origin of these outbreaks has not been definitely determined. Gastro-intestinal influenza broke out in June.

Coryza in epidemic form is very common. During the months of July and August a severe outbreak of bronchial influenza occurred affecting the whole population of Stanley and spreading to the West Falkland and many settlements on the East Falkland.

Fifteen cases of tuberculosis were under treatment during the year. The incidence of bovine tuberculosis is being investigated, the double intradermal test being used.

Sixty-three school children were under treatment for impetigo contagiosa. A small epidemic of chicken-pox occurred early in the year. Thread worm infection is very common among the children; one case of Hydatid disease was operated upon.

Of the twenty-four officials recruited from the United Kingdom six reported sick with various minor ailments.

Forty-three confinements took place in the hospital and five in the town, making a total of forty-eight as compared with thirty in the previous year. During the year an infant welfare clinic was established with most encouraging results.

The Government maintains out of public funds a hospital in Stanley, the King Edward VII Memorial Hospital. The hospital has twelve beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved type of X-ray apparatus has been installed.

The staff of the Medical Department includes the Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to junior nurses locally recruited and trained.

A Medical Officer made periodical tours of the North-East Falkland, the remainder of the East Falkland being under the Falkland Islands Company's Medical Officer stationed at Darwin.

During the year the Senior Medical Officer made an extensive tour of the East Falkland and certain settlements in the West Falkland.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1935, 239 persons were admitted to the hospital as compared with 102 in the previous year and 1,837 new cases were

seen in the out-patients' department. Five deaths occurred in hospital; 230 operations were performed as compared with 93 in the previous year.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint diseases.

In the town of Stanley sewage is disposed of partly by the water-carriage system and partly by the earth-closet method. It is satisfactory to record that the number of inhabitants taking advantage of water-carriage facilities is steadily increasing. The night soil from earth closets is removed by means of special carts under the control of the Public Works Department. The disposal of sewage, which is deposited in the harbour, is efficient, as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health by-laws, all ashes and household refuse must be stored in properly constructed bins which are required to be emptied once a month at least. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate to present needs. The drainage system of the town continues to be improved.

There are three licensed slaughter-houses in Stanley: these were inspected with reasonable frequency and were found to comply with the Board of Health by-laws. Meat for human consumption was also inspected at regular intervals.

Dairies were inspected from time to time and found to be satisfactory.

Bi-annual rat weeks continued, with considerable success; rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

A number of new houses were erected during the year. The buildings are of a suitable type, and conform to the requirements of the Board of Health both as regards construction and sanitary

arrangements. There is no overcrowding in Stanley, the rate of building being adequate to the needs of the population. A large number of the wage-earning population own their own houses and building loans are made in suitable cases, by the Government, to facilitate the construction of new houses. The Government maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

The Sanitary Inspector inspects regularly all premises in the town, and householders are required to keep them in as sanitary a condition as circumstances permit. Power is vested in the Board of Health to condemn premises as unfit for human occupation. In general terms the housing of the people may be said to be fully satisfactory.

VI.—PRODUCTION.

For practical purposes wool is the sole product of the Colony at the present time. It is all exported in the grease to London; skins and tallow are also shipped together with a limited quantity of hides. Sheep are run on farms varying in extent from 24,000 acres to 150,000 acres, and carrying on the average between 8,000 and 35,000 sheep, or say, three to five acres to every sheep.

Statistics are not kept of the actual quantity of wool produced in any one year, as distinct from the acutal quantity exported, but the production of wool over the five-year period ended on the 31st of October, 1935, may be taken as four million pounds annually. The actual return of wool exported during 1935, was 4,195,052 lb. valued at £109,381, or 202,068 lb. more than the preceding year. The average price realized was between 7d. and 8d. per lb.

Hides and skins exported were valued at £6,927, as against £9,257 in the preceding year, or a decrease of £2,330.

Live Stock.—During the year a number of rams were imported from the United Kingdom and from New Zealand for the purpose of improving flocks in the Colony.

Seal oil.—The Falkland Islands and Dependencies Sealing Company, Limited, which has confined its activities hitherto to the production of oil from hair seal, operated in 1935 and was successful in producing some 300 tons of oil valued at £4,135.

General.—The Colony has no resources of known value apart from the commodities above described. Agriculture can hardly be said to exist, but forage crops are produced to a limited extent.

VII.—COMMERCE.

The aggregate value of trade for the year was £225,142 as compared with £234,661 for the previous year. Imports showed an increase of £8,894 and exports a decrease of £18,413.

The following table shows under the principal heads the respective values for the past five years :—

IMPORTS.

	1931.	*1932.*	*1933.*	*1934.*	*1935.*
	£	£	£	£	£
Food, drink, and tobacco ...	40,267	33,117	28,858	35,113	32,741
Raw materials and articles mainly unmanufactured ...	12,093	8,210	5,902	9,125	10,513
Articles wholly or mainly manufactured	56,965	39,561	33,729	45,644	48,599
Miscellaneous and unclassified	1,415	1,162	747	1,315	8,988
Bullion and specie	35	—	25	750	—
Total imports	£110,775	82,050	69,261	91,947	100,841

EXPORTS.

	1931.	*1932.*	*1933.*	*1934.*	*1935.*
	£	£	£	£	£
Wool	125,818	109,475	100,749	130,325	109,381
Hides and skins	8,941	5,119	8,807	9,257	6,927
Tallow	1,860	1,150	1,768	1,867	2,070
Live stock	—	246	—	—	457
Seal oil	—	5,000	4,660	16	4,135
Bullion and specie	8,000	—	—	—	—
Other articles	2,334	957	988	1,249	1,331
Total exports	£146,953	121,947	116,972	142,714	124,301

Imports.

The principal articles imported during 1935 were, in value :—

	£
Provisions	20,345
Hardware...	14,522
Drapery, etc.	4,384
Coal, coke, and oil fuel	1,891
Timber	7,467
Paints, etc.	4,577
Chemicals...	4,222

and in quantities :—

Beer	12,182 gal.
Spirits	2,731 „
Tobacco	13,125 lb.
Wines	978 gal.

Approximately 70 per cent. of the total imports came from the United Kingdom.

The countries of origin were as follows:—

	£
United Kingdom	71,561
Other parts of the British Empire	6,624
Total from the British Empire	£78,185
Uruguay	9,118
Argentine	3,904
Brazil	2,272
Chile	3,209
Other countries	1,153
Total from foreign countries	£22,656

Exports.

Almost the entire trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being inconsiderable, totalling only £895. The following is a comparative table showing the quantities exported during the past five years:—

	1931.	*1932.*	*1933.*	*1934.*	*1935.*
Wool (*lb.*)	3,931,595	3,934,852	4,021,444	3,992,984	4,159,052
Tallow (*lb.*)	275,520	164,642	425,712	235,200	234,655
Hides and sheepskins (No.)	73,566	56,565	77,679	100,844	81,092
Seal oil (barrels) ...	—	1,701	1,806	8	2,006

VIII.—WAGES AND COST OF LIVING.

The average rate of wages for unskilled labour is 1s. 2d. an hour, and for skilled labour, 1s. 4d. an hour. Artisans receive 1s. 7d. an hour. The hours of work are eight a day, with a total of 40 to 45 hours a week.

In domestic service, monthly wages with board and lodging, for housemaids vary from £2 to £3 10s.; for cooks, from £3 to £4 10s.

Owing to the continued depression in the sheep-farming industry there was little or no reduction in the number of men seeking employment in Stanley, some of whom received relief work in the form of clearing ground and planting tussac grass; this work was carried out in connection with a scheme for improving the pastures of the Stanley Common. The policy of employing men on works undertaken by the Government solely to meet the unemployment situation was discontinued in 1935 and in April it became necessary to introduce the dole to relieve distress. Relief was granted to an average of 43 applicants during the 39 weeks ended on the 31st of December. The cost amounted to £2,322.

On the farm stations wages ranged from £5 to £8 a month, quarters, fuel, meat and milk found.

The cost of living has varied little during the year. The average prices of the main articles of food were as follows :—

Mutton	3d. per lb.
Beef	5d. per lb.
Pork, fresh...	1s. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per dozen.
Milk	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4 lb. loaf.
Sugar	4d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 6d. per lb.
Fresh vegetables	5d. per lb.
Butter (imported)...	1s. 6d. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

On the whole the cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and convenience at charges ranging from £2 2s. 0d. to £3 3s. 0d. per week.

Unfurnished houses for workmen cost from £2 to £3 10s. 0d. per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are difficult to obtain and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made in approved cases to enable children from country districts to be taught in Stanley.

For the benefit of children who are unable to come to Stanley, the Government maintains three itinerant schoolmasters on the West Falkland Island and one on the East Falkland Island.

The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition certain itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law instiutions, and there is no legislative provision for maintenance in the event of accident, sickness, or for old age.

Poor relief is granted by the Government in certain necessitous cases. The cost in 1935 amounted to £305.

A society known as the Stanley Benefit Club insures its members for sickness and death.

There are three social clubs, namely, the Colony Club, the Falkland Club and the Working Men's Social Club.

There are football, badminton, golf, and hockey clubs, all of which are flourishing.

The Stanley Sports Association holds an annual sports meeting in December of each year for horse racing and athletic events.

The Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting at Stanley on the lines of those held at Bisley. A team from the Falkland Islands was successful in winning the Junior Kolapore Cup at Bisley in 1930, and again in 1934. It is a matter for regret that it was not found possible to send a representative team to Bisley in 1935, but hopes are entertained of renewing in 1936 the Colony's participation in this competition and in the Junior Mackinnon competition. Indoor shooting on the modern and well-equipped miniature range in the Drill Hall is also very popular during the winter months. The team selected from the members of the local Miniature Rifle Association succeeded in winning the Colonial Rifle Association's Small-Bore Match in the years 1932 and 1934. The local Miniature Rifle Association was also successful in winning the Dominions Small Bore Trophy in 1933.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey and gymnastics, as well as the formal Swedish drill.

There are also public baths, and a well-equipped gymnasium.

The Town Hall, Stanley, is well equipped with modern appliances for theatrical productions. It can seat an audience of 500 people in comfort and safety. It has a very fine dance floor and is much used for that purpose particularly during the winter months.

The Boy Scouts, Girl Guides, and Rover Sea Scouts continued their useful work. There are also troops of Cubs and Brownies.

There is one cinema in Stanley. There is also a public library at which books to suit every taste may be obtained.

X.—COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Montevideo to which port a service is maintained by the s.s. *Lafonia*, a vessel of some 600 tons dead weight,

belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from October, 1931. In addition, calls homeward and outward are made at Stanley at irregular and infrequent intervals by cargo vessels of the Pacific Steam Navigation Company, Limited.

The distance from Stanley to Montevideo is rather more than a thousand miles and the time taken on the voyage by the s.s. *Lafonia* averages four and a half days, and by other vessels from three to five days according to the class of vessel.

The average time occupied in the transit of mails to and from the United Kingdom, via Montevideo, is 26 days; by the direct route passenger vessels complete the journey in the same time and the cargo vessels require upwards of a month to five weeks on the voyage home, which is performed almost invariably from Stanley to London without intermediate stop, and on the outward voyage upwards of five weeks dependent on the number of intermediate stops.

On the average, opportunities for the receipt and despatch of mails are available every four to five weeks.

Provisional arrangements were made with the Falkland Islands Company, Limited, for the maintenance of communication with South Georgia by the s.s. *Lafonia* which makes two voyages during the year. The time taken on the voyage between Stanley and South Georgia averages three and a half days.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular cummunication is maintained direct with London and Montevideo, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraph charges to the United Kingdom are 2s. 6d. a word for " ordinary ", 1s. 3d. a word for " deferred ", and 1s. 6d. a word for " code " messages.

There are no submarine cables.

The postal rate for the United Kingdom and the Empire is one penny per ounce.

At the end of 1935 there were 89 wireless sets licensed.

The Government maintains a broadcast relay service. The licence for subscribers to this service is £1 per annum and the number of licences issued in 1935 was 107. The principal overseas programmes are relayed from the Broadcasting Studio to subscribers. Local programmes of gramophone records are also given, as well as news and sports items from England.

There are no railways in the Colony. Certain roads suitable for motor traffic have been constructed to a limited extent. Internal

communication is carried out on horseback or by boat. The interinsular service for mails and passengers is carried out by the s.s. *Lafonia*.

There are no inland telegraphs, but a telephone system is maintained by the Government in Stanley both for official and general use. In the outlying districts privately-owned lines join up with the Stanley system on the East Falkland, and on the West Falkland converge at Fox Bay, where the Government also maintains a small radio station for the purpose of local traffic. Two farm stations have constructed radio stations of low power for local communication.

There are no omnibuses or tramways in the Colony and no air mail and passenger service.

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

The only bank in the Colony is the Government Savings Bank. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th of September, 1935, the total sum deposited was £228,896, and the number of depositors, 1,055. The average amount standing to the credit of each depositor was £217, or about £95 per head of the population.

There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. A similar service is undertaken by the Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and paper currency of 10s., £1 and £5 notes issued by the Colonial Government under the Falkland Islands Currency Notes Ordinance, 1930. It is estimated that on 31st December, 1935, there were £3,000 of coin and £22,000 of currency notes in circulation.

The system of weights and measures in use in the Colony is the same as that in the United Kingdom.

XII.—PUBLIC WORKS.

During the year work on the construction of roads towards and through the peat deposits was continued. The main road is in the direction of Eliza Cove situated on the south shore of the East Islands and passes through some 200,000 cubic yards of peat.

An annex containing improved kitchen, dining room, stores, etc., which forms part of the scheme for the proposed extension and improvement of the King Edward VII Memorial Hospital was completed and occupied.

In the year under review a 500 millimetre beacon with steel housing containing a battery of six acetylene accumulators, also accommodation for two spare sets of accumulators, was erected on the southern extreme promontory of Cape Meredith, West Falkland Island. The light is unwatched and controlled by sun-valve. It was the gift of John Hamilton, Esquire, of Weddell Island.

Paths and approaches to the Stanley Cemetery were reconditioned by laying down 2,000 yards run of concrete kerbing and re-shingling. Water was laid on and the general drainage improved.

Footpaths to Government House were replaced by concrete motor roads leading from the main road and passing through the paddock with " passa libres " or cattle stops at entrance and exit.

Alterations were carried out at the Police Station to provide for the transfer of the telephone exchange from the Town Hall thus enabling the police to attend emergency calls during silent hours.

During the year there was a steady demand for water connections, and installations of hot water systems, baths and water closets. These were all dealt with from the existing water supply which is being heavily taxed. An increased supply is under consideration for 1936.

General improvements were effected in the town of Stanley especially in regard to the drainage facilities in the upper reaches of the town. The mileage of roads treated with bitumen solution was extended.

In addition to its other activities, the Public Works Department undertakes the usual maintenance services, including conservancy, and water supply for the town. The Department is also responsible for the considerable quantity of peat fuel which is required for Government services. To its charge are committed, furthermore, the general upkeep of all Government buildings and property, in particular of plant, sea-walls, bridges, fences, jetties and harbour lights, and in addition, the maintenance of the lights on William Point, Porpoise Point on the East Falkland, and Cape Meredith on the West Falkland.

An average number of 92 men, exclusive of monthly employees, was on the pay roll during the year, as compared with 137 in 1934. The total expenditure incurred under Public Works and Electrical votes was £24,135 in 1935.

XIII.—JUSTICE AND POLICE.

The judicial system of the Colony is administered by a Supreme Court, in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. The local Police Force consists of four constables and

a chief Constable and is stationed entirely in Stanley. The chief Constable is also Gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is rare. Cases of petty theft and of injury to property, however, occur from time to time. Seventeen persons were dealt with in 1935 in the Summary Court and of this number 15 were convicted. No criminal issue came before the Supreme Court during the year; one case came before the juvenile court.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition.

XIV.—LEGISLATION.

Nine Ordinances were passed by the Legislative Council in 1935. In addition to the Supplementary Appropriation (1934) Ordinance, No. 3, and the Appropriation (1935) Ordinance, No. 8, the following measures were enacted:—

No. 1.—*The Sentence of Death (Expectant Mothers) Amendment Ordinance*, amending the principal Ordinance.

No. 2.—*The Dangerous Drugs (Amendment) Ordinance*, enacting a minor amendment to existing legislation.

No. 4.—*The Senior Medical Officer (Designation) Ordinance*, substituting the designation "Senior Medical Officer" for the designation "Colonial Surgeon" in certain Ordinances and subsidiary legislation.

No. 5.—*The Falkland Islands Currency Notes (Amendment) Ordinance*, deleting Section 8 from the principal Ordinance.

No. 6.—*The Administration of Justice (Amendment) Ordinance*, relating to the appointment of Judge.

No. 7.—*The Immigration Ordinance*, to control immigration into the Colony.

No. 9.—*The Tariff (Export Duties) Amendment Ordinance*, fixing the special rate of duty on export of whale oil and seal oil during the 1935-6 and 1936 seasons, respectively, at 1s 6d. for each barrel of 40 gallons.

The following subsidiary legislation was also enacted during the year:—

Proclamation, dated 21st February, prohibiting the export including re-export, to Paraguay of arms and war materials.

Proclamation dated 29th July, repealing the above Proclamation.

Order in Council deleting certain wild birds from Schedules I and II and adding the Cape Horn Otter to Schedule I of the Wild Animals and Birds Protection (Amendment) Ordinance, 1913.

Regulations governing the award of the Colonial Police and Fire Brigades Long Service Medal.

Regulations enacting minor amendments to existing legislation, regarding Wireless Telegraphy.

Regulations prescribing the fees to be charged for admission to the King Edward VII Memorial Hospital, Medicines, Dressings, and Medical comforts, and Maternity cases, the services of Medical Officers and for Dental treatment.

Regulations relating to the award of the Efficiency Decoration and Efficiency Medal.

Regulations providing for the employment of local stevedores in loading and unloading ships trading to ports in the Colony.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1935 from all sources was £49,813 as compared with £102,700 in 1934, and from ordinary sources £49,633 as compared with £55,275 in 1934. The decrease in revenue from all sources between 1934 and 1935 was principally due to the following extraordinary items brought to account in 1934 :—Appreciation of Investments £37,906, Profit on Sale and Transfer of Stock £8,403 and Land Sales Fund £1,116. The shortfall of the 1935 ordinary Revenue as compared with the 1934 figures is attributable mainly to surplus interest from the Savings Bank, from which source it was anticipated that £3,950 would accrue to Revenue, after the amount required to meet interest on Deposits had been met. Surplus interest was however £2,693 and as the Savings Bank Deposits during the year were abnormal, this amount together with the sum of £3,966 which was found necessary to provide under Expenditure was credited to the Savings Bank Fund, to bring the securities up to 110 per cent. of the value of the deposits in the Bank. Added to this, there was a reduction of £1,916 in the amount received by way of contribution from Dependencies.

The expenditure on recurrent services was £44,829 or more by £7,310 than in 1934, and less by £4,804 than the revenue from ordinary sources.

The principal causes contributing to the excess expenditure on recurrent services in 1935 were :—the sum of £3,966 required for the Savings Bank Fund and £2,322 for Unemployment Relief. In addition to expenditure on recurrent services, sums of £13,211 and £1,766 were expended on Public Works Extraordinary and Depreciation of Investments respectively.

The revenue from all sources during the year was less than the expenditure of £59,806 by £9,993.

The following table gives the comparative figures of the expenditure and the revenue for the past five years :—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1931	51,805	78,397	38,977	72,676
1932	64,199	98,463	38,711	54,798
1933	59,333	66,417	37,156	52,335
1934	101,584	102,700	37,519	54,463
1935	49,633	49,813	44,829	59,806

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1935, amounted to £296,904, made up as follows :—

	£
Land Sales Fund	241,200
Other Surplus	55,704
	£296,904

The Colony's Reserve Fund on 31st December, 1935, amounted to £34,000.

The main heads of taxation are :—

1. Customs import and export duties.
2. Rates levied on house property.

The Customs import duties are on wines, malt, spirits, tobacco and matches, at the following rates :—

Wines ...	3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints.
Malt ...	6d. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits ...	20s. a gallon.
Tobacco ...	4s. a pound.
Matches ...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the full duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates :—

Wool	1s. for every 25 lb.
Whale oil and seal oil ...	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The yield in 1935 from each source was as follows :—

	£
Import Duties	5,807
Export Duties	8,553
Rate on house property	849

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude 50 and 80 west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the "Discovery" Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a 100 miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1935 the average mean temperature was 33·35° F. Rain fell on 67 days and snow or sleet on 146 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced when a large rock forming the crest of a natural arch, and known locally as the " Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-9 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1 and 1821-2 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-4 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. Valuable contributions to the survey of the Dependencies have been made in recent years by the ships under the direction of the Discovery Committee, particularly the R.R.S. *Discovery II*. Knowledge of the South Georgia coast was much advanced in the years 1926-30, the South Sandwich group was surveyed in 1930, extensive running surveys were made in the South Orkneys in 1933, and from time to time in the South Shetlands.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, is contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

There is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is resident either at the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 700, practically all males, but during the winter it is not more than one-third of that number. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian or Scandinavian. Two deaths, no births and no marriages occurred in the Dependencies in 1935.

At the census taken on 26th April, 1931, the number of persons at South Georgia, including shipping, was recorded as 563 and at the South Shetlands as 146; among these one female only appears.

IV.—HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness arises from the lack of fresh food-stuffs.

No Medical Officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions in 1935 were not unfavourable. Health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression.

V.—HOUSING.

The question of housing does not really arise in the Dependencies. The officials in South Georgia are suitably housed in the quarters at King Edward Cove, and the arrangements made by the whaling companies to accommodate the personal working on their stations are fully adequate.

VI.—PRODUCTION.

Apart from sealing on a small scale, whaling is the only industry in the Dependencies and whale and seal oil and by-products of the whale, such as guano, their sole produce. Sealing operations are carried on at South Georgia from the 1st March to 31st October. For the season 1935-6, whaling was restricted to the period from 16th September to 31st May.

At South Georgia two stations only conducted whaling operations, the catch being restricted by agreement on a quota basis. The land station at Deception Island remained closed. No floating factories worked under licence from the Government. There was a marked improvement in the whale oil market during the year.

The season was an exceptionally good one and the weather from a whaling point of view throughout the season was favourable.

The catch amounted to 1,785 whales of which 1,221 were blue, 520 fin, 41 humpback and 3 sperm. The number of barrels of oil produced was 143,192 with an average per " standard " whale of 95·90. One hundred and fourteen thousand six hundred and sixty-six bags of guano were also produced.

The following table shows, for comparative purposes, the actual catch, " standard whales ", the oil and guano production, and the average for the past five seasons :—

Season.	*Actual Whales.*	*" Standard " Whales.*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages. Oil.*	*Guano.*
1931–32 ...	2,205	1,310	124,337	113,420	94·91	86·58
1932–33 ...	996	631	54,583	49,572	86·50	78·56
1933–34 ...	2,364	1,431	132,190	123,996	92·37	86·65
1934–35 ...	1,575	1,022	108,261	91,073	105·90	89·09
1935–36 ...	1,785	1,493	143,192	114,666	95·90	76.80

The total value of the season's production is estimated at £468,998, of which £404,572 represents the value of the oil, £63,066 guano, and £1,360 baleen.

As in the three previous seasons a number of Falkland Islands labourers were engaged at the two land stations at South Georgia and on board the floating factories belonging to Messrs. Salvesen.

VII.—COMMERCE.

The value of the total trade of the Dependencies in 1935 was £502,722, of which £177,239 represented imports and £325,483 exports. Of the imports, whale oil (for re-export) accounted for £60,015; coal, coke and oil fuel, £66,801; hardware, £16,199, and provisions £8,143. The exports of whale and seal oil amounted to £250,045, and of guano and bone meal to £64,357.

The following table gives the comparative values of the trade of the Dependencies during the past five years :—

	£	£	£
	Imports.	*Exports.*	*Total.*
1931	311,388	1,748,467	2,059,855
1932	228,952	369,542	598,494
1933	200,557	337,353	537,910
1934	204,854	455,468	660,322
1935	177,239	325,483	502,722

The decrease in the value of the import and export trade is due to the continued depression in the whaling industry. Excluding importations and exportations of whale oil from and for the " high seas ", about 40 per cent. of the value of the imports came from the United Kingdom. About 90 per cent. of the total exports were shipped to the United Kingdom. The bulk of the coal imported was obtained from the United Kingdom, and of the fuel oil from the Dutch West Indies. About 52 per cent. of the hardware came from the United Kingdom and 43 per cent. from Norway, while provisions show 25 per cent. from Norway, 32 per cent. from the Argentine, and 38 per cent. from the United Kingdom.

During the year 1935 the price of oil ranged from £10 to £19 10s. 0d. a ton according to grade.

VIII.—WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is especially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their stations the question of the cost of living does not arise.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

There are three children only in the Dependencies and therefore the problem of education does not arise.

The whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken in football and in other forms of sport such as ski-ing during the winter months, when there is deep snow.

X.—COMMUNICATIONS AND TRANSPORT.

Provisional arrangements were made with the Falkland Islands Company, Limited, for two voyages by their s.s. *Lafonia* during the year for the purpose of conveying mails to and from South Georgia. During the whaling season direct sailings from Europe to South Georgia and vice versa are in the normal course not infrequent, and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.v. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in October and on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur but in winter the delay may on occasions be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys. There are no railways or roads in the Dependencies. Two floating docks are maintained at South Georgia, one at Grytviken and the other at Stromness Harbour. The dock at Grytviken has an overall length of 133 feet and a breadth of 34 feet with a lifting capacity of 600 tons. It is capable of taking vessels up to 140 feet in length and drawing 15 feet 6 inches. Stromness dock is 150 feet long, 34 feet wide and its lifting capacity is 700 tons. It will take vessels up to 160 feet in length with a draught of 15 feet.

Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1935 :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	42	99,224	—	—
Foreign (mostly Norwegian) ...	21	24,376	2	1,468
	63	123,600	2	1,468

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XII.—PUBLIC WORKS.

No public works were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all Dependencies. During 1935 no case of serious crime was brought before the Court. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, seldom calling for the intervention of the civil authorities: a fact which in itself speaks highly for the standard of discipline maintained by the managers of the several stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—PUBLIC FINANCE AND TAXATION.

The Dependencies' revenue which is derived almost entirely from the whaling industry amounted in 1935 to £12,617. The expenditure excluding that from the Research and Development Fund was £12,617.

The following table shows the comparative figures of revenue and expenditure during the past five years:—

	Revenue.	*Expenditure.*
	£	£
1931	48,133	31,129
1932	17,446	20,143
1933	12,081	18,384
1934	14,892	14,892
1935	12,617	12,617

The decrease in the returns of revenue and expenditure is due, as in the immediately preceding years, to the restricted scale on which whaling operations have been conducted.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1935, was £332,317, earmarked as follows :—

	£
Research and Development Fund	326,209
" Discovery " Pension Fund	6,108
	£332,317

The main heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £479 in 1935 and export duties to £9,675. The Customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil stood at 1s. 6d. a barrel or 9s. a ton. The export duty on guano is at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

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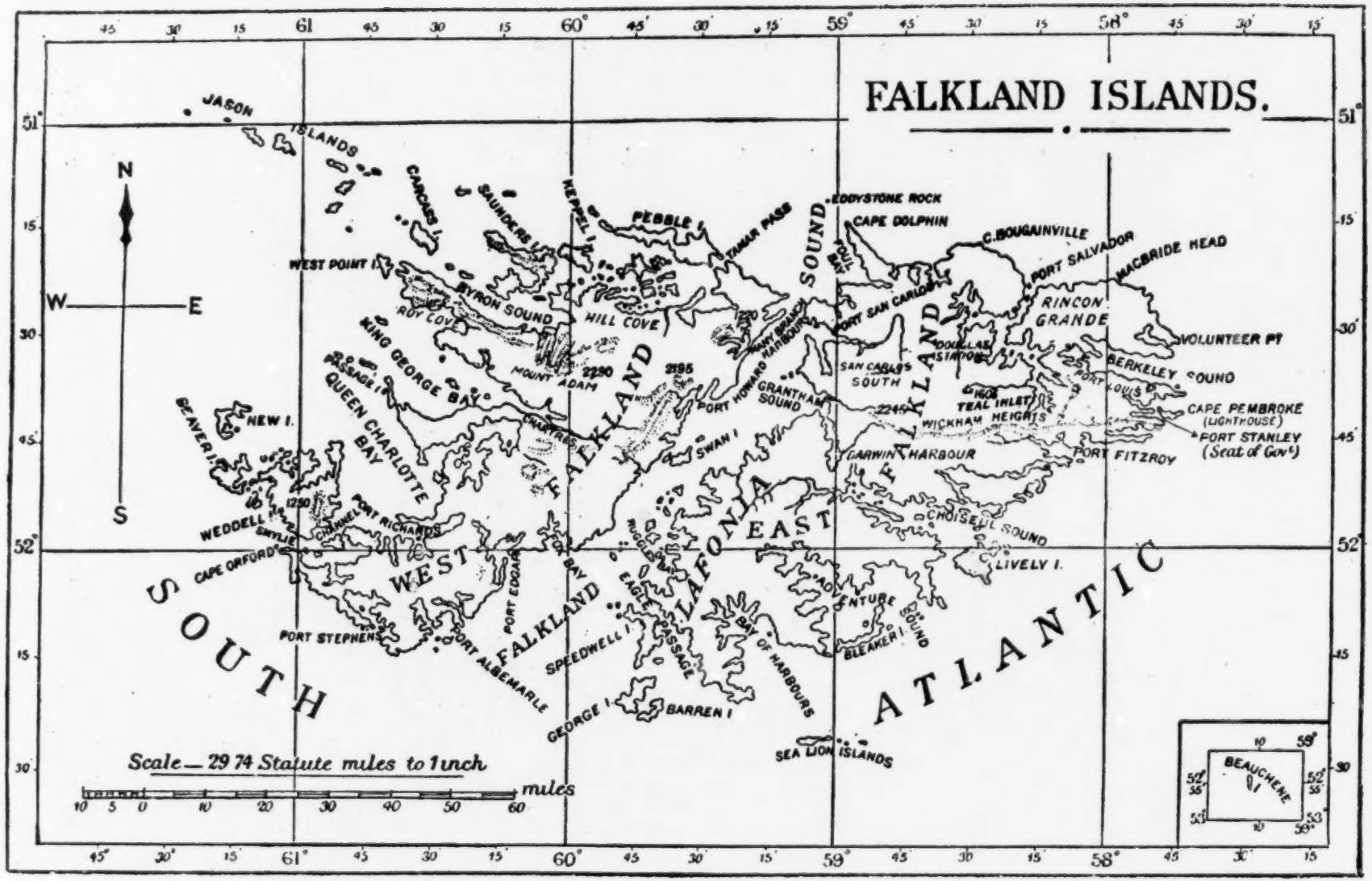

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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1936

TABLE OF CONTENTS.

Chapter.	Colony. *Page.*	Dependencies. *Page.*
I.—Geography, Climate, and History	2	18
II.—Government	5	20
III.—Population	5	21
IV.—Health	5	21
V.—Housing	7	21
VI.—Production...	8	21
VII.—Commerce	9	22
VIII.—Wages and Cost of Living	10	23
IX.—Education and Welfare Institutions ...	11	23
X.—Communications and Transport	12	23
XI.—Banking, Currency, and Weights and Measures	14	24
XII.—Public Works	14	24
XIII.—Justice and Police	15	24
XIV.—Legislation	16	25
XV.—Public Finance and Taxation	17	25
Appendix—Bibliography		26
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows:

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

326/37

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 ft. in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are almost entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about 1,200 inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about 100 persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 ins., precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous; calm, bright weather being exceptional and seldom outlasting 24 hours.

The Falkland Islands, called by the French " Iles Malouines " and by the Spaniards " Islas Malvinas ", were discovered on 14th August, 1592, by John Davis in the *Desire,* one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands

in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of " Falkland Islands " although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe, through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and two unofficial members. There is also a Legislative Council composed of four official and four unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local Government in the Colony.

III.—POPULATION.

The inhabitants of the Falkland Islands are of European descent, and are chiefly of British blood, in which Scottish ancestry is marked. There is no indigenous or native population.

The estimated population on the 31st of December, 1936, was 2,399 made up of 1,329 males and 1,070 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between the outlying districts of the East and West Falklands. The number of births registered in 1936 was 45, and of deaths 21, or respectively 18·8 and 8·79 per 1,000. Twenty-six marriages were celebrated during the year. One death occurred among infants under two years of age. Ninety-six persons arrived in the Colony and 153 left in the course of the period under review.

IV.—HEALTH.

The climate is healthy, especially in the Camp districts, but damp in and about Stanley; consequently it is not very suitable for persons with any rheumatic tendencies.

During the summer months the constant high winds are rather trying. The weather conditions in winter are slightly milder and more pleasant than those of the north of England. The conditions of living are simple; the ordinary social amenities of a larger Colony are almost entirely lacking. The quality of the food is good but lacks variety especially with regard to vegetables, but with care in cultivation it is possible to guarantee at least a nine months' supply. Fruit is imported from Montevideo and the supply becomes better each year with the improved transport and a greater local demand. Steps are being taken by both the Medical and Stock Departments to improve the supply of fresh milk in the town of Stanley.

Dental caries and pyorrhea are very prevalent amongst the Falkland Islanders, the children suffering from defective teeth

at a very early age. The Dental Surgeon makes periodical tours of the East and West Falklands and holds a special clinic for school children every Saturday morning.

Vaccination is compulsory and the Vaccination Ordinance is rigidly enforced, every Medical Officer being appointed a Public Vaccinator for the area in which he is stationed.

Gastritis and dyspepsia are common complaints. Forty appendicectomies were performed during 1936, the majority being in the quiescent stage. From time to time outbreaks of acute enteritis occur but so far the origin of these outbreaks has not been definitely determined.

Coryza in epidemic form is very common.

Twelve case of tuberculosis were under treatment during the year. The incidence of bovine tuberculosis is being investigated, the double intradermal test being used.

Eleven school children were under treatment for impetigo contagiosa. Thread worm infection is very common among the children also.

Twenty-six confinements took place in the hospital and three in the town, making a total of 29 as compared with 48 in the previous year.

The Government maintains out of public funds a hospital in Stanley, the King Edward VII Memorial Hospital. The hospital has 17 beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved X-ray apparatus has been installed.

The staff of the Medical Department includes a Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to junior nurses locally recruited and trained.

A Medical Officer made periodical tours of the North-East Falkland, the remainder of the East Falkland being under the Falkland Islands Company's Medical Officer stationed at Darwin.

During the year the Senior Medical Officer made an extensive tour of the West Falkland.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1936, 151 persons were admitted to the hospital as compared with 239 in the previous year and 1,318 new cases were seen in the out-patients department. Three deaths occurred in hospital; 241 operations were performed as compared with 230 in the previous year.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint diseases.

In the town of Stanley, sewage is disposed of partly by the water-carriage system and partly by the earth closet method. It is satisfactory to record that the number of inhabitants taking advantage of water-carriage facilities is steadily increasing. The night soil from earth closets is removed by means of special carts under the control of the Public Works Department. The disposal of sewage, which is deposited in the harbour, is efficient as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health bye-laws, all ashes and household refuse must be stored in properly constructed bins which are required to be emptied once a month at least. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate for present needs. The drainage system of the town continues to be improved.

There are three licensed slaughter-houses in Stanley: these were inspected with reasonable frequency and were found to comply with the Board of Health by-laws. Meat for human consumption was also inspected at regular intervals.

Dairies were inspected from time to time and found to be satisfactory.

Bi-annual rat weeks continued, with considerable success; rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

A certain number of new houses were erected during the year. The buildings erected are of a suitable type, and conform to the requirements of the Board of Health as regards both construction and sanitary arrangements. There is no overcrowding in Stanley, the rate of building being adequate to the needs of the population. In the majority of cases, the wage-earning population own their own houses, which are well built and comfortable.

Building loans are made by the Government in suitable cases, to facilitate the construction of new houses. The Government also maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector, and householders are required to keep their premises in as sanitary a condition as circumstances permit. In case of need, powers exist to condemn premises as unfit for human occupation. In general terms the housing of the people may be said to be fully satisfactory.

V.—PRODUCTION.

Wool, skins, and tallow are the principal products of the Colony at the present time. All produce is exported to the United Kingdom.

Sheep farms vary approximately in extent from 24,000 acres to 150,000 acres, and carry on the average between 8,000 and 35,000 sheep, or, say one sheep for every three to five acres.

No statistics are kept of the actual quantity of wool produced in any one year, as distinct from the quantity exported, but the average production during the past five years was four million pounds annually. The actual return of wool exported during 1936 was 3,994,537 lb. valued at £98,684, or less by 200,515 lb. than the preceding year. The average price realized was between 8d. and 9d. per lb. against an average price of about 7½d. per lb. in 1935.

Hides and skins exported were valued at £7,825 as against £6,927 in the preceding year, or an increase of £898.

Live Stock.—During the year 387 rams were imported from Chile for the purpose of improving flocks in the Colony.

Seal Oil.—The Falkland Islands and Dependencies Sealing Company, Limited, conducted sealing operations during the year and was successful in obtaining 541 tons of oil valued at £6,581. The price of seal oil continued to remain low realizing £16 per ton as compared with £15 in 1935.

General.—The Colony has no resources of known value apart from the commodities described above. Forage crops are produced to a limited extent, but with this exception there is practically no agriculture in the Colony.

During the year arrangements were made for the secondment to the Colony of an officer from the New Zealand Department of Agriculture for a period of three years to advise on all matters concerning the sheep-farming industry. It is also intended that an officer of the Welsh Plant Breeding Station at Aberystwyth should visit the Falkland Islands in 1937 to carry out investigations with a view to improving the pastures of the Colony.

VII.—COMMERCE.

The state of the trade of the Colony, as reflected by the values of imports and exports during the year 1936, and as compared with previous years was as follows:

IMPORTS.

	1932.	*1933.*	*1934.*	*1935.*	*1936.*
	£	£	£	£	£
Food, drink and tobacco...	33,117	28,858	35,113	32,741	34,078
Raw materials and articles mainly unmanufactured	8,210	5,902	9,125	10,513	13,403
Articles wholly or mainly manufactured	39,561	33,729	45,644	48,599	51,245
Miscellaneous and unclassified	1,162	747	1,315	8,988	2,401
Bullion and Specie ...	—	25	750	—	960
Total imports	£82,050	69,261	91,947	100,841	102,087

EXPORTS.

	1932.	*1933.*	*1934.*	*1935.*	*1936.*
	£	£	£	£	£
Wool	109,475	100,749	130,325	109,381	98,684
Hides and skins	5,119	8,807	9,257	6,927	7,825
Tallow	1,150	1,768	1,867	2,070	2,089
Livestock	246	—	—	457	591
Seal oil	5,000	4,660	16	4,135	6,581
Bullion and specie ...	—	—	—	—	—
Other articles	957	988	1,249	1,331	887
Total exports	£121,947	116,972	142,714	124,301	116,657

Imports.

The principal articles imported during 1936, in value:—

	£
Provisions	22,471
Hardware	15,865
Drapery	5,123
Coal, coke and oil fuel	7,510
Timber	4,526
Paints, etc.	4,110
Chemicals	5,279

and in quantities:—

Beer	10,384 gal.
Spirits	2,079 ,,
Tobacco	8,293 lb.
Wines	1,050 gal.

Approximately 80 per cent. of the total imports came from the United Kingdom.

The countries of origin were as follows:—

	£
United Kingdom	80,143
Other parts of the British Empire	116
Total from the British Empire	£80,259

	£
Uruguay	9,567
Argentina	5,520
Brazil	1,035
Chile	4,491
Other countries	1,215
Total from foreign countries	£21,828

Exports.

Almost the whole of the export trade of the Colony was to the United Kingdom, exports to other countries amounting only to a value of £981.

The following is a comparative table showing the quantities exported during the past five years:—

	1932.	*1933.*	*1934.*	*1935.*	*1936.*
Wool (lb.)...	3,934,852	4,021,444	3,992,984	4,159,052	3,994,537
Tallow (lb.)	164,642	425,712	235,200	234,655	248,496
Hides and sheepskins (No.)	56,565	77,679	100,844	81,092	75,812
Seal oil (barrels)	1,701	1,806	8	2,006	2,732

VIII.—WAGES AND COST OF LIVING.

No change occurred during 1936 in regard to rates of wages or hours of work. Labourers in Stanley were paid at the rate of 1s. 2d. to 1s. 4d. per hour and artisans at 1s. 7d. per hour. The hours of work were eight a day with a total of 40 to 45 a week. In domestic service, monthly wages with board and lodging for housemaids vary from £2 to £3 10s.; for cooks, from £3 to £4 10s. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company, and there was little or no reduction in the number of men seeking employment in 1936. The dole introduced in 1935 was discontinued in October, 1936. Relief was granted to an average of 17 applicants during the 43 weeks ended on the 31st October, 1936. The cost amounted to £2,310.

The average rate of wages on farm stations was £5 to £8 a month, quarters, fuel, meat and milk found.

The cost of living varied little during the year. The average prices of the main articles of food were as follows:—

Mutton	3d. per lb.
Beef	5d. per lb.
Pork, fresh	1s. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per doz.
Milk	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4 lb. loaf.
Sugar	4d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 6d. per lb.
Fresh vegetables	5d. per lb.
Butter (imported)	1s. 6d. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

On the whole the cost of living is moderate. No hotels exist in Stanley in the accepted sense of the term, but there are several boarding houses which offer a reasonable degree of comfort and convenience for residents and occasional visitors with charges ranging from £2 2s. to £3 3s. per week.

Unfurnished houses for workmen cost from £2 to £3 10s. per month.

Houses, if not provided by the Government, are hard to obtain and the average rent of an unfurnished house suitable for occupation by an official is £50 a year.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

The education of children between the ages of five and fourteen years residing in Stanley is compulsory. In Stanley there are two elementary schools, one maintained by the Government and one under Roman Catholic management. Provision is also made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made in approved cases to enable children from country districts to be taught in Stanley.

For the benefit of children who are unable to come to Stanley, the Government maintains three itinerant schoolmasters on the West Falkland Island and one on the East Falkland Island.

The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition certain itinerant schoolmasters for service in the outlying districts of Lafonia.

No facilities exist in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions, and no Legislative provision for maintenance in the event of accident, sickness, or for old age. Poor relief is granted by the Government in certain necessitous cases. The cost in 1936 amounted to £520. A society known as the Stanley Benefit Club insures its members for sickness and death.

There are three social clubs, namely, the Colony Club, the Falkland Club and the Working Men's Social Club. There are football, badminton, golf, and hockey clubs.

Rifle shooting may be well described as the national sport of the Colony, and the Defence Force Rifle Association, which is affiliated to the National Rifle Association holds an annual meeting at Stanley on the lines of those held at Bisley. The Falkland Islands have been represented at Bisley by teams in the Junior Kolapore and Junior Mackinnon Competitions for several years, and in 1930 and again in 1934 they were successful in winning the Junior Kolapore Cup. Miniature shooting in the Drill Hall is very popular during the winter months. The local Miniature Rifle Club has been successful in the competitions inaugurated by the Society of Miniature Rifle Clubs, having won the trophy put up in the Colonial Rifle Association's Small Bore Match in 1932 and 1934, and gaining second place in 1936, whilst it carried away the honours in the Dominion Clubs' Team shoot in 1933.

Physical training forms an important part of the regular curriculum of the Government school and in it are included football, hockey and gymnastics, as well as the formal Swedish drill.

There are also public baths, and a well-equipped gymnasium.

The Town Hall, Stanley, contains a large stage which is fitted with modern appliances for theatrical productions including a draw curtain and lighting effects. It can seat an audience of 500 people in comfort and safety. It has an excellent dance floor and is much used for dancing during the winter months.

The Boy Scouts, Girl Guides, and Rover Sea Scouts continued their useful work. There are also troops of Cubs and Brownies.

There is one cinema in Stanley. There is also a public library at which books to suit every taste may be obtained.

X.—COMMUNICATIONS AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Montevideo, to which port a service is maintained in accordance with actual requirements by the s.s. *Fitzroy* a vessel of some 600 tons dead weight, belonging to the Falkland Islands Company, Limited, which has been running on a mail contract for a period of five years from October, 1931. The contract has been renewed for a further period of five years

and arrangements have been made with the Falkland Islands Company for an improved mail service and for the provision of a larger vessel of some 1,800 tons. Under the terms of the new contract which will come into operation on the 1st January, 1937, 12 voyages will be made between Stanley and Montevideo, and two voyages between Stanley and South Georgia.

The distance from Stanley to Montevideo is rather more than 1,000 miles and the time taken on the voyage by the s.s. *Fitzroy* averages four and a half days, and by other vessels from three to five days according to the class of vessel.

The average time occupied in the transit of mails to and from the United Kingdom, via Montevideo, is 26 days; by the direct route, passenger vessels complete the journey in the same time. On the average, opportunities for the receipt and despatch of mails are available every four to five weeks.

Communication with South Georgia was maintained by the Falkland Islands Company's s.s. *Fitzroy* which made two voyages between Stanley and the Dependency during the year. The time taken on the voyage in either direction averages three and a half days.

A wireless station for external traffic is operated by the Government at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained direct with London and Montevideo, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraph charges to the United Kingdom are 2s. 6d. a word for " ordinary ", 1s. 3 a word for " deferred ", and 1s. 6d. a word for " code " messages.

There are no submarine cables.

The postal rate for the United Kingdom and the Empire is one penny per ounce.

At the end of 1936 there were 132 wireless sets licensed.

The Government maintains a broadcast relay service. The licence for subscribers to this service is £1 per annum and the number of licences issued in 1936 was 116. The principal overseas programmes are relayed from the Broadcasting Studio to subscribers. Local programmes of gramophone records are also given, as well as news and sports items from England.

There are no railways in the Colony. Certain roads suitable for motor traffic have been constructed to a limited extent. Internal communication is carried out on horseback or by boat. The interinsular service for mails and passengers is carried out by the s.s. *Fitzroy* and s.s. *Roydur* belonging to the Falkland Islands Company, Limited.

There are no inland telegraphs, but a telephone system is run by the Government in Stanley both for official and general use. Many of the farmers have their own lines which join up with the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government also maintains

a small wireless station for the purpose of interinsular traffic. Two farm stations have constructed radio stations of low power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands; nor have the means of aerial travel hitherto been introduced, although the possibilities in the latter direction would seem certainly to warrant investigation.

The following table shows the number, nationality, and description of the vessels which entered the Colony from overseas during 1936:—

Nationality.	*Steam Vessels.*	*Tonnage.*
British	21	46,739
Foreign	3	689
	24	47,428

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

The only bank in the Colony is the Government Savings Bank. The rate of interest paid is 2½ per cent. per annum. At the close of the Bank's financial year on the 30th September, 1936, the total sum deposited was £266,346, and the number of depositors, 1,049. The average amount standing to the credit of each depositor was £254, or about £111 per head of the population. There is no agricultural or co-operative bank or similar institution in the Colony.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. A similar service is undertaken by the Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations.

The legal tender currency is British sterling and paper currency of 10s., £1 and £5 notes issued by the Colonial Government under the Falkland Islands Currency Notes Ordinance, 1930. It is estimated that on the 31st December, 1936, there were £3,000 of coin and £24,000 of currency notes in circulation.

The system of weights and measures in use in the Colony is the same as that in the United Kingdom.

XII.—PUBLIC WORKS.

During the year completion of roads for the transport of peat, paving in the town, and construction of new roads in the upper reaches of the town were carried out, and improvements in drainage and gutters, and surfacing with bitumen over a considerable area was continued.

A wood and iron bridge was placed over the Murrel River for the convenience of travellers when the river is in flood, and the tracks leading to the West and South camps were redressed and a pathway for horse traffic formed in the centre of each.

Alterations forming part of the improvements to King Edward VII Memorial Hospital were carried out to the interior, increasing the number of wards and enlarging offices, etc., in use by the Medical Officers and staff.

Improvements were effected in Government Paddock by the playing field being extended, levelled and returfed.

A concrete building was erected on Ross Road for the Electrical Department embodying Telegraph Office, Broadcasting Studio, workshop and storerooms.

During the year the demand for water connections increased and the supply was enlarged by the addition of a spring to the south of the town, pumped by windmill, thus ensuring a continuous supply for the town and shipping.

A new Quarantine Station for imported stock was laid out, with sheds, pens, etc., at Navy Point on the north of Stanley Harbour, and improvements carried out on the Common by the drainage of marshlands, erection of turf animal shelters, fencing, etc.

The average number of men on the pay roll exclusive of monthly employees was 68 as compared with 92 in 1935.

The total expenditure incurred under Public Works was £15,725 for the year.

XIII.—JUSTICE AND POLICE.

The judicial system of the Colony is administered by a Supreme Court, in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. The majority of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. The local Police Force consists of four constables and a Chief Constable and is stationed entirely in Stanley. The Police Force is adequate to provide generally for the peace of the Colony and security of life and property. There is practically no crime in the Colony. Cases of petty theft and of injury to property, however, occur from time to time. Eight persons were dealt with in 1936 in the Summary Court and of this number five were convicted. No criminal issue came before the Supreme Court during the year; one case came before the Juvenile Court.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition.

The Chief Constable is Gaoler-in-Charge of the gaol in Stanley.

XIV.—LEGISLATION.

Fourteen Ordinances were passed by the Legislative Council in 1936, the most important of which were as follows:—

The Motor Car Ordinance, 1936, declaring the Law relating to Motor Cars.

The Immigration (Restriction) Ordinance, 1936, prohibiting immigrants to land in the Colony.

The Administration of Intestate Estates Ordinance, 1936, providing for the succession to Real and Personal Estate on Intestacy.

The Savings Bank Ordinance, 1936, governing the control and management of the Savings Bank.

The Whale Fishery (Consolidation) Ordinance, 1936, consolidating and amending the laws relating to Whale Fishery in the Colony of the Falkland Islands and its Dependencies.

The following subsidiary legislation was also enacted during the year:—

Proclamation No. 1 of 1936, prohibiting the export, including re-export, to Spain of arms and war materials, aeroplanes, aeroplane motors separate parts thereof, and munitions.

Order in Council of 12th September, 1936, amending Schedules I and II of the Wild Animals and Birds Protection (Amendment) Ordinance, 1913.

Rules of 8th February, 1936, for the grant of Travelling and Subsistence Allowances to Officers travelling on duty.

Rules of 12th May, 1936, for the grant of Travelling and Subsistence Allowances to Officers attending Conferences while on leave in the United Kingdom.

Rules of 11th July, 1936, made under section 14 (1) of the Savings Bank Ordinance, 1936, cancelling the Savings Bank Regulations, 1916.

Regulations of 8th February, 1936, repealing and replacing the Schedule to the Harbour Regulations, 1935, relating to the employment of local stevedores in loading and unloading ships trading to ports in the Colony.

Regulations of 9th April, 1936, repealing section 27 (*a*) of and repealing and replacing the Schedule to, the Pensions Ordinance, 1928.

Regulations of 16th April, 1936, amending the regulations relating to the award of the Colonial Police and Fire Brigades Long Service Medal made on the 5th of February, 1935.

Regulations of 11th July, 1936, repealing the Regulations made under the Whale Fishery Ordinance, 1908, and amending legislation.

Regulations of 12th September, 1936, made under the section 6 of the Motor Car Ordinance, 1936, relating to the registration and licensing of motor vehicles.

Regulations of 12th September, 1936, amending section 3 of the Whaling Regulations, 1936, in regard to the period during which Whales may be taken.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1936 from all sources was £64,505 as compared with £49,813 in 1935, and from ordinary sources £57,944 as compared with £49,633 in 1935. The increase in revenue is mainly due to the following surplus receipts:—Interest on Joint Colonial Fund Deposits, £450; Sale of Postage Stamps, £3,455; Wireless Messages, £686; and Arrears of Contribution from the Dependencies to the Central Administration for the years 1933, 1934 and 1935, £5,169.

The expenditure on recurrent services was £41,115 or less by £3,714 than in 1935, and less by £16,829 than the revenue from ordinary sources.

The principal causes contributing to the excess expenditure on recurrent services in 1936 were:—An over-expenditure of £222 under Harbour Department, attributable to the cost of surveying Stanley Harbour; £122 under Education, due to the appointment of a Second Assistant Master and the inauguration of a Domestic Science Centre; an excess of £199 under Stock Department, as the result of purchasing grass-seeds for the improvement of grasslands; whilst under Miscellaneous £379 was the additional amount spent on passages, and the vote for Charitable Relief was exceeded by £220. In addition to expenditure or recurrent services a sum of £10,588 was expended on Public Works Extraordinary.

The revenue from all sources during the year was more than the expenditure of £51,702 by £12,803.

The following table gives the comparative figures of the expenditure and the revenue for the past five years:—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1932	64,199	98,463	38,711	54,798
1933	59,333	66,417	37,156	52,335
1934	101,584	102,700	37,519	54,463
1935	49,633	49,813	44,829	59,806
1936	57,944	64,505	41,115	51,702

The Colony has no public debt. The excess of assets over liabilities on 31st December, 1936, amounted to £308,344 made up as follows:—

	£
Land Sales Fund	246,398
Other Surplus	61,946
	£308,344

The Colony's Reserve Fund on 31st December, 1936, amounted to £34,000.

The main heads of taxation are:—

1. Customs import and export duties.
2. Rates levied on house property.

The Customs import duties are on wines, malt, spirits, tobacco and matches, at the following rates:—

Wines ...	3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints.
Malt ...	6s. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits ...	20s. a gallon.
Tobacco...	4s. a pound.
Matches...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates:—

Wool	1s. for every 25 lb.
Whale oil and seal oil ...	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The yield in 1936 from each source was as follows:—

	£
Import Duties	4,222
Export duties	8,275
Rate on house property	853

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the

south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude 50 and 80 west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the " Discovery " Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a 100 miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1936 the average mean temperature was 35·87° F. Rain fell on 88 days and snow or sleet on 91 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred to 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced when a large rock forming the crest of a natural arch, and known locally as the " Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-9 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers were reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1 and 1821-2 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-4 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. Valuable contributions to the survey of the Dependencies have been made in recent years by the ships under the direction of the Discovery Committee, particularly the R.R.S. *Discovery II*. Knowledge of the South Georgia coast was much advanced in the years 1926-30, the South Sandwich group was surveyed in 1930, extensive running surveys were made in the South Orkneys in 1933, and from time to time in the South Shetlands.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies as carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

There is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is resident either at the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 700, practically all males, but during the winter it is not more than one-third of that number. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian. One death, no births and no marriages occurred in the Dependencies in 1936.

IV.—HEALTH.

There is very little sickness in the Dependencies, even colds being of rare occurrence, though some unhealthiness arises from the lack of fresh food-stuffs.

No Medical Officer is maintained by the Government in the Dependencies, but the whaling companies have their own doctors, the Government contributing a share of the salary of the doctor stationed at Grytviken. At South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions in 1936 were generally bad but health conditions were relatively good except that the constant bad weather and lack of sunshine tended to produce a state of mental depression bordering on melancholia in a number of cases.

V.—HOUSING.

The question of Housing does not really arise in the Dependencies. The officials in South Georgia are suitably housed in the quarters at King Edward Cove, and the arrangements made by the whaling companies to accommodate the personnel working on their stations are fully adequate.

VI.—PRODUCTION.

The only industry in the Dependencies, apart from sealing on a small scale, is whaling, and whale and seal oil and by-products of the whale, such as guano, are their sole products. The whaling season in the Dependencies during 1936-7 was restricted to the period from 16th October to 16th April, while sealing operations were carried on at South Georgia from 1st March to 31st October.

No floating factories operated under licence from the Government and the land station at Deception Island remained closed, fishing being suspended entirely at the South Shetlands and also

at the South Orkneys. At South Georgia only two of the five stations worked, namely, the Compania Argentina de Pesca at Grytviken and the South Georgia Company, Limited, at Leith Harbour. There was a slight improvement in the price of whale oil during the year.

The season was an exceptionally poor one, whales being scarce and weather conditions very unfavourable. Whales were rarely caught close to the Island and catching took place at a distance of from 80 to 150 miles from the whaling stations.

A total catch of 1,759 whales was made of which 121 were blue, 1,080 fin, 70 sperm, 471 sei and 17 humpback. The quantity of oil produced amounted to 81,089 barrels, with an average per " standard whale " of 103·56 barrels (a barrel is one-sixth of a ton or 40 gallons). The production of guano and whale-meat meal amounted to 80,378 bags of 100 kilograms.

The following table shows, for comparative purposes, the actual catch, " standard whales ", the oil and guano production, and the average for the past five seasons:—

Season.	*Actual Whales.*	*"Standard" Whales.*	*Oil Produced. Barrels.*	*Guano. Bags.*	*Averages. Oil. Barrels.*	*Guano. Bags.*
1932–33 ...	996	631	54,583	49,572	86·50	78·56
1933–34 ...	2,364	1,431	132,190	123,996	92·37	86·65
1934–35 ...	1,575	1,022	108,261	91,073	105·90	89·09
1935–36 ...	1,785	1,493	143,192	114,666	95·90	76·80
1936–37 ...	1,759	783	81,089	80,378	103·56	102·65

The total value of the season's production is estimated at £327,566, of which £270,300 represents the value of the oil, £56,266 guano, and £1,000 baleen.

A number of Falkland Islanders were again employed as labourers on the two land stations at South Georgia and also on board the floating factories belonging to Messrs. Chr. Salvesen, of Leith.

VII.—COMMERCE.

The total trade of the Dependencies in 1936 was valued at £816,748 of which £260,567 represented imports and £556,181 exports. Of the imports, whale oil (for re-export) accounted for £133,658; coal, coke and fuel oil, £75,076; hardware, £18,847; and provisions, £6,910. The exports of whale and seal oil amounted to £478,377 and of guano and bone meal to £74,722.

The following table gives the comparative values of the trade of the Dependencies for the past five years:—

	Imports.	*Exports.*	*Total.*
	£	£	£
1932	228,952	369,452	598,494
1933	200,557	337,353	537,910
1934	204,854	455,468	660,322
1935	177,239	325,483	502,722
1936	260,567	556,181	816,748

The increase in the value of the import and export trade is due to the greater amount of oil imported into South Georgia from the " high seas " for re-exportation and to the improvement in the market value of the oil. Excluding importations and exportations of whale oil from and for the " high seas ", about 25 per cent. of the value of the imports came from the United Kingdom. About 11 per cent. of the total exports were shipped to the United Kingdom. The bulk of the coal imported was obtained from the United Kingdom, and of the fuel oil from the Dutch West Indies. About 22 per cent. of the hardware came from the United Kingdom and 55 per cent. from Norway, while provisions were about equally divided between the United Kingdom, Argentina and Norway.

During the year 1936 the price of oil ranged from £16 to £21 a ton according to grade.

VIII.—WAGES AND COST OF LIVING.

Labour in South Georgia and on board the floating factories is especially recruited on contract terms, almost exclusively from Norway. The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. As there are no shops and no private trade in the Dependencies and as all food-stuffs are provided by the whaling companies for the personnel engaged on their stations the question of the cost of living does not arise.

IX.—EDUCATION AND WELFARE INSTITUTIONS.

There were three children only in the Dependencies in 1936 all under school age and therefore the problem of education does not arise.

The whaling companies operating in South Georgia run private cinematograph shows for the benefit of the men employed on their stations. Interest is taken in football and in other forms of sport such as ski-ing during the winter months, when there is deep snow.

X.—COMMUNICATIONS AND TRANSPORT.

Provisional arrangements were made with the Falkland Islands Company, Limited, for two voyages by their s.s. *Fitzroy* during the year for the purpose of conveying mails to and from South Georgia. During the whaling season direct sailing from Europe to South Georgia and *vice versa* are in the normal course not infrequent. A number of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in November and on their return journey in March.

Mails are received and despatched either direct or via Stanley by opportunities as they offer. In summer no long intervals occur but in winter the delay may on occasions be considerable. Postal rates are the same as from and to the Colony proper.

The Government maintains a wireless station at Grytviken, which is in regular communication with Stanley, through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys. There are no railways or roads in the Dependencies. Two floating docks are maintained at South Georgia, one at Grytviken and the other at Stromness Harbour. The dock at Grytviken has an overall length of 133 feet and a breadth of 34 feet with a lifting capacity of 600 tons. It is capable of taking vessels up to 140 feet in length and drawing 15 feet 6 inches. Stromness dock it 150 feet long, 34 feet wide and its lifting capacity is 700 tons. It will take vessels up to 160 feet in length with a draught of 15 feet.

Grytviken, South Georgia, and Port Foster at Deception Island, in the South Shetlands, are the only ports of entry.

The following table shows the number of vessels which entered at South Georgia during 1936:—

	Steam.		*Sailing.*	
Nationality.	*Vessels.*	*Tonnage.*	*Vessels.*	*Tonnage.*
British	64	126,468	—	—
Foreign (mostly Norwegian) ...	21	29,780	1	497
	85	156,248	1	497

XI.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks—commercial, agricultural, or co-operative—are in existence in the Dependencies. Such facilities as are afforded in the Colony through the Treasury at Stanley, for example, by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate at Grytviken.

The legal tender currency is British sterling and Falkland Islands notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XII.—PUBLIC WORKS.

No public works were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all Dependencies. During 1936 no case of serious

crime was brought before the Court. Despite the trying conditions, the personnel of the whaling industry forms a most peaceful and law-abiding community, seldom calling for the intervention of the civil authorities: a fact which in itself speaks highly of the standard of discipline maintained by the managers of the several stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—PUBLIC FINANCE AND TAXATION.

The Dependencies revenue which is derived almost entirely from the whaling industry amounted in 1936 to £24,344. The expenditure, excluding that from the Research and Development Fund, was £19,851.

The following table shows the comparative figures of revenue and expenditure during the past five years:—

	Revenue.	*Expenditure.*
	£	£
1932	17,446	20,143
1933	12,081	18,384
1934	14,892	14,892
1935	12,617	12,617
1936	24,344	19,851

The decrease in the returns of revenue and expenditure is due, as in the immediately preceding years, to the restricted scale on which whaling operations have been conducted.

The Dependencies have no public debt. The surplus of assets over liabilities as at 31st December, 1936, was £294,305, earmarked as follows:—

	£
Research and Development Fund ...	291,907
"Discovery" Pension Fund	2,398
	£294,305

The main heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and by-products of the whaling industry such as guano. Import duties amounted to £481 in 1936 and export duties to £15,590. The Customs tariff on importation is the same as in the Colony. The export duty on whale and seal oil stood at 1s. 6d. a barrel or 9s. a ton. The export duty on guano is at the rate of 1½d. per 100 lb.

There are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

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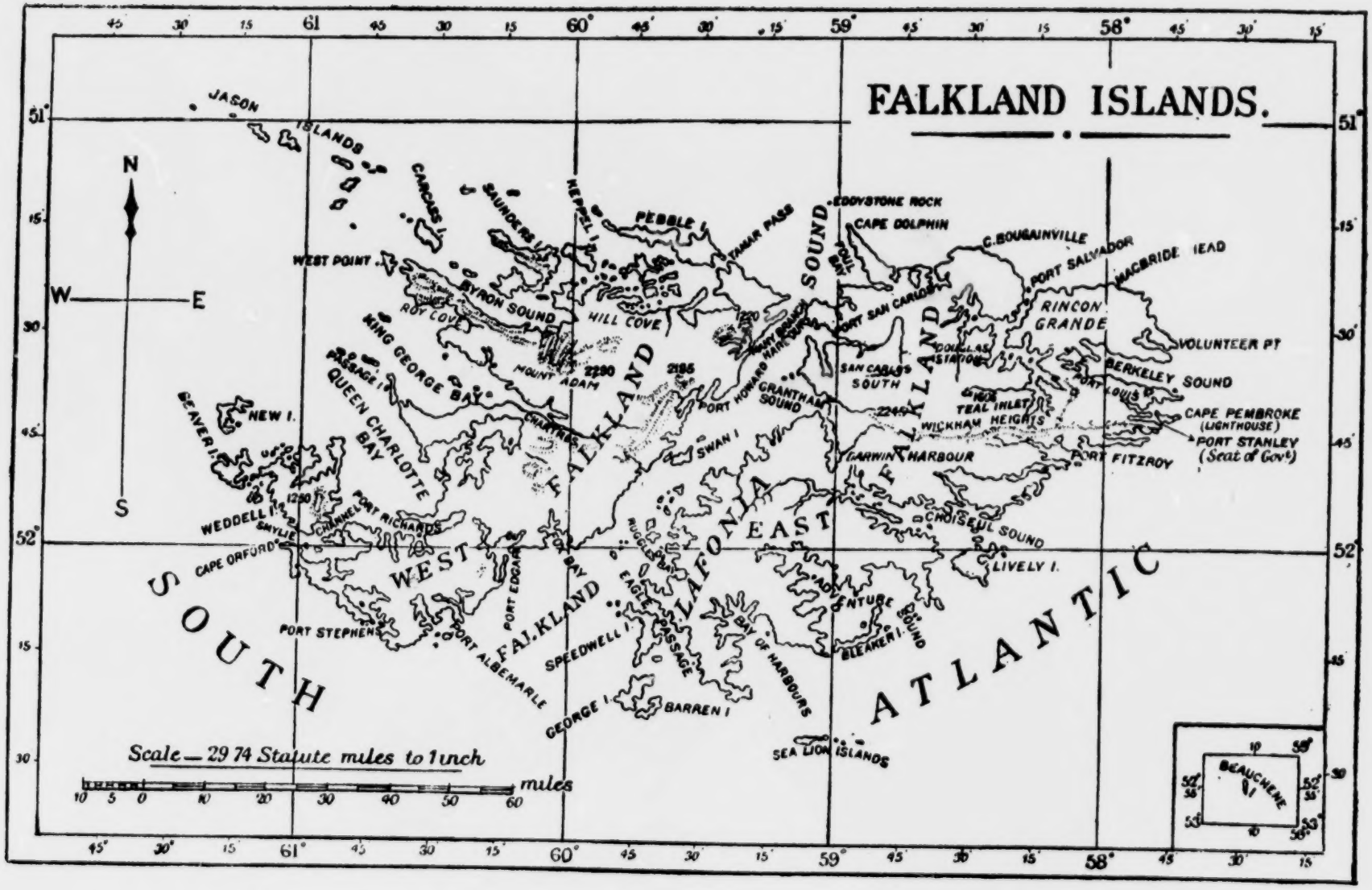

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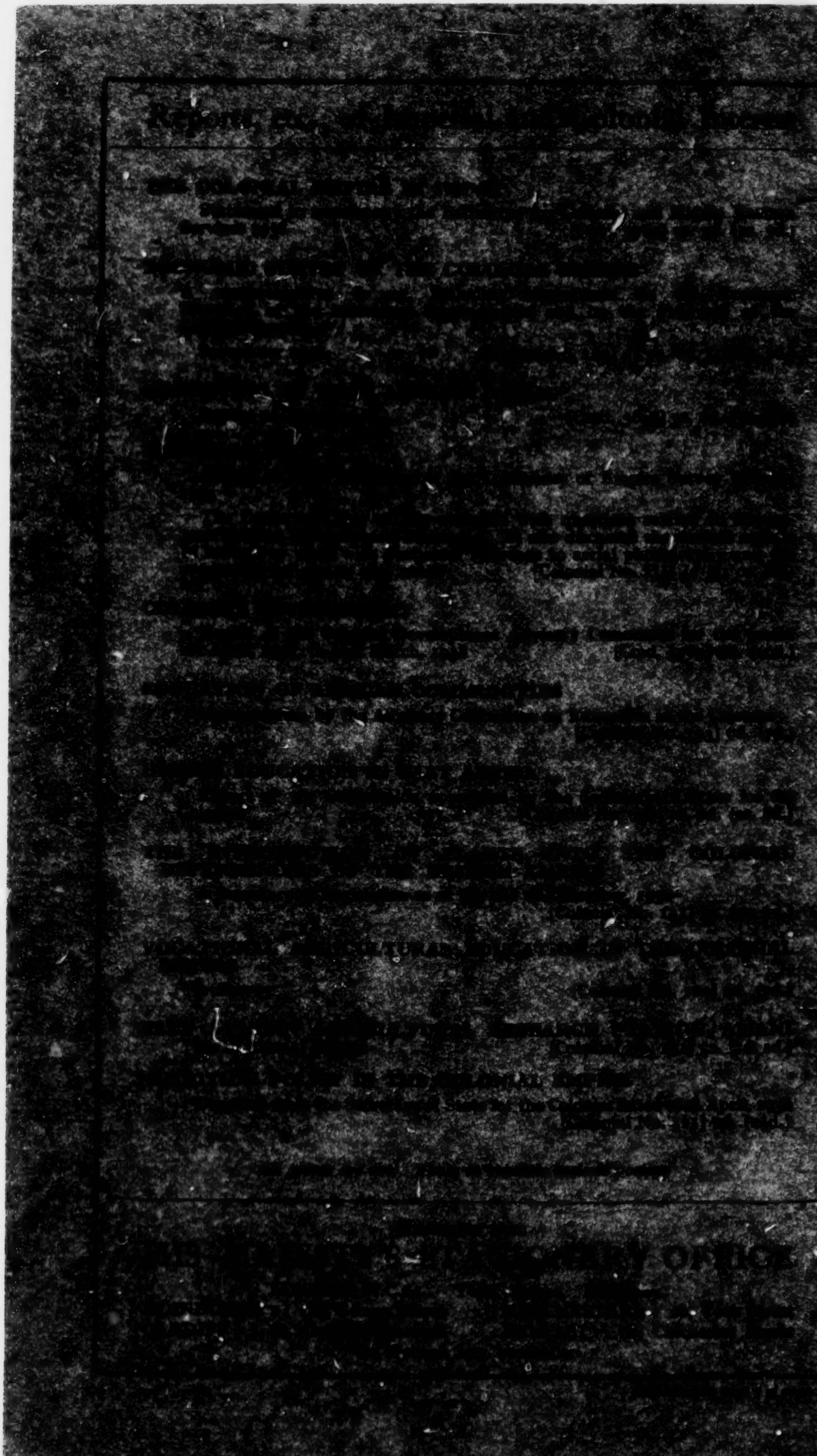

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1937

TABLE OF CONTENTS.

Chapter.	Colony. *Page.*	Dependencies. *Page.*
I.—Geography, Climate, and History	2	18
II.—Government	5	20
III.—Population	5	21
IV.—Health	5	21
V.—Housing	7	21
VI.—Natural Resources	8	21
VII.—Commerce	9	22
VIII.—Labour	10	25
IX.—Wages and Cost of Living	11	25
X.—Education and Welfare Institutions ...	11	25
XI.—Communications and Transport	13	26
XII.—Public Works	14	26
XIII.—Justice, Police and Prison	15	27
XIV.—Legislation	15	27
XV.—Banking, Currency, and Weights and Measures	16	27
XVI.—Public Finance and Taxation	17	27
Appendix—Bibliography		29
Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows:

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 ft. in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are almost entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about 1,200 inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about 100 persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 ins., precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous; calm, bright weather being exceptional and seldom outlasting 24 hours.

The Falkland Islands, called by the French " Iles Malouines " and by the Spaniards " Islas Malvinas ", were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594, and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands

in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe, through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and two unofficial members. There is also a Legislative Council composed of four official and four unofficial members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local government in the Colony.

III.—POPULATION.

The population is almost entirely white and has been derived to a large extent from the United Kingdom. There is a considerable element of Scandinavian blood.

The estimated population on the 31st of December, 1937, was 2,391 made up of 1,319 males and 1,072 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants lives in Stanley, the capital, and the remainder are divided more or less equally between the outlying districts of the East and West Falklands. The number of births registered in 1937 was 37, and of deaths 20, or respectively 15·48 and 8·36 per 1,000. Eighteen marriages were celebrated during the year. Two deaths occurred among infants under two years of age. One hundred and twenty-nine persons arrived in the Colony and 154 left in the course of the period under review.

IV.—HEALTH.

The climate is healthy, especially in the Camp districts, but damp in and about Stanley; consequently it is not very suitable for persons with any rheumatic tendencies.

During the summer months the constant high winds are rather trying. The weather conditions in winter are slightly milder and more pleasant than those of the north of England. The conditions of living are simple; the ordinary social amenities of a larger Colony are almost entirely lacking. The quality of the food is good although it lacks variety especially with regard to vegetables, but with care in cultivation it is possible to guarantee at least a nine months supply. Fruit is imported from Monte Video and the supply becomes better each year with the improved transport and a greater local demand. Steps are being taken by both the Medical and Agricultural Departments to improve the supply of fresh milk in the town of Stanley.

Dental caries and pyorrhea are very prevalent amongst the Falkland Islanders, the children suffering from defective teeth

at a very early age. The Dental Surgeon makes periodical tours of the East and West Falklands and holds a special clinic for school children every Saturday morning.

Vaccination is compulsory and the Vaccination Ordinance is rigidly enforced, every Medical Officer being appointed a Public Vaccinator for the area in which he is stationed.

Gastritis and dyspepsia are common complaints. Eleven appendicectomies were performed during 1937, the majority being in the quiescent stage. From time to time outbreaks of acute enteritis occur but so far the origin of these outbreaks has not been definitely determined.

Coryza in epidemic form is very common.

Two cases of tuberculosis were under treatment during the year. The incidence of bovine tuberculosis is being investigated, the double intradermal test being used.

Several school children were under treatment for impetigo contagiosa. Thread worm infection is very common among the children also.

Thirty confinements took place in the hospital and seven in the town, making a total of 37 as compared with 45 in the previous year.

The Government maintains out of public funds a hospital in Stanley, the King Edward VII Memorial Hospital. The hospital has 17 beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved X-ray apparatus has been installed.

The staff of the Medical Department includes a Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to junior nurses locally recruited and trained.

A Medical Officer made periodical tours of the North-East Falkland, the remainder of the East Falkland being under the Falkland Islands Company's Medical Officer stationed at Darwin.

During the year the Senior Medical Officer made an extensive tour of the West Falkland.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1937, 219 persons were admitted to the hospital as compared with 149 in the previous year and 1,010 new cases were seen in the out-patients' department. Six deaths occurred in hospital; 184 operations were performed as compared with 241 in the previous year.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint diseases.

In the town of Stanley, sewage is disposed of partly by the water-carriage system and partly by the earth closet method. The disposal of sewage, which is deposited in the harbour, is efficient as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health bye-laws, all ashes and household refuse must be stored in properly constructed bins which are required to be emptied once a month at least. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate for present needs. The drainage system of the town continues to be improved.

Bi-annual rat weeks continued, with considerable success; rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

The houses erected are of a suitable type, and conform to the requirements of the Board of Health as regards both construction and sanitary arrangements. There is no overcrowding in Stanley, the rate of building being adequate to the needs of the population. In the majority of cases, the wage-earning population own their own houses, which are well built and comfortable. Building loans are made by the Government in suitable cases, to facilitate the construction of new houses. The Government also maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector, and householders are required to keep their premises in as sanitary a condition as circumstances permit. Power is vested in the Board of Health to condemn premises as unfit for human occupation. In general terms the housing of the people may be said to be fully satisfactory.

VI.—NATURAL RESOURCES.

The whole acreage of the Colony is divided into sheep farms varying approximately in extent from 24,000 to 150,000 acres and carrying on the average between 8,000 and 35,000 sheep, or say one sheep for every three to five acres.

The Colony has no resources of known value apart from the production of wool, skins and tallow. Forage crops are produced to a limited extent but with this exception there is practically no agriculture in the Colony. The country may be said to be still in its virgin state and is capable of development. With the exception of some 40,000 acres of Government Reserve the entire land is under alienation.

During the year an Agricultural Department was established and certain investigations were made in connexion with the sheep-farming industry generally.

An officer of the Welsh Plant Breeding Station at Aberystwyth visited the Colony in November and carried out an analysis of the pastures with a view to their subsequent improvement.

No statistics are kept of the actual quantity of wool produced in any one year, as distinct from the quantity exported, but the average production during the past five years was four million pounds annually. The actual return of wool exported during 1937 was 4,602,959 lb. valued at £162,511, or more by 608,422 lb. than the preceding year. The average price realized was 1s. 2d. per lb. against an average price of 8½d. per lb. in 1936.

Some 30,000 sheep were exported during the year to Chile for freezing with a view to re-export and sale on the market in the United Kingdom. The estimated value of the sheep exported was £13,773. The experiment proved successful and the mutton met with ready sale on the London market.

Hides and skins exported were valued at £17,923 as against £7,825 in the previous year, or an increase of £10,098.

Livestock.—A number of rams were imported from New Zealand and Patagonia for the purpose of improving flocks in the Colony.

Seal oil.—Sealing operations were conducted by the Falkland Islands and Dependencies Sealing Company, Limited, during the months of June to October. The total production of oil amounted to 278 tons valued at £4,200. The price of seal oil remained at £16 per ton.

The whole of the produce of the Colony is exported to the United Kingdom.

VII.—COMMERCE.

With the exception of meat and a limited quantity of garden produce practically the whole of the Colony's requirements in foodstuffs is imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following tables:

IMPORTS.

	1933. £	*1934.* £	*1935.* £	*1936.* £	*1937.* £
Food, drink and tobacco...	28,858	35,113	32,741	34,078	40,100
Raw materials and articles mainly unmanufactured	5,902	9,125	10,513	13,403	12,601
Articles wholly or mainly manufactured	33,729	45,644	48,599	51,245	57,476
Miscellaneous and unclassified	747	1,315	8,988	2,401	5,450
Bullion and specie ...	25	750	—	960	1,125
Total imports	£69,261	91,947	100,841	102,087	116,752

EXPORTS.

	1933. £	*1934.* £	*1935.* £	*1936.* £	*1937.* £
Wool	100,749	130,325	109,381	98,684	162,511
Hides and skins	8,807	9,257	6,927	7,825	17,923
Tallow	1,768	1,867	2,070	2,089	2,618
Livestock	—	—	457	591	13,773
Seal oil	4,660	16	4,135	6,581	4,200
Other articles	988	1,249	1,331	887	2,995
Total exports	£116,972	142,714	124,301	116,657	204,020

There were no re-exports during the year.

Imports.

The percentage of total imports provided by the British Empire and foreign countries for the year under review and each of the preceding four years is given below:

	1933. *Per cent.*	*1934.* *Per cent.*	*1935.* *Per cent.*	*1936.* *Per cent.*	*1937.* *Per cent.*
British Empire ...	81·29	79·73	77·53	78·62	76·23
Foreign Countries ...	18·71	20·27	22·47	21·38	23·77

The principal supplying countries were:

	1933. £	*1934.* £	*1935.* £	*1936.* £	*1937.* £
United Kingdom ...	56,301	73,234	71,560	80,143	85,107
Other parts of British Empire.	—	84	6,624	116	3,756
Argentine	2,143	3,459	3,904	5,520	4,263
Brazil	94	1,054	2,272	1,035	1,848
Chile	625	3,530	6,209	4,491	9,839
Uruguay	9,918	9,780	9,118	9,567	9,701

The principal articles imported during 1937 and the previous year were as follow:

	1936. Value. £	1936. Quantity.	1937. Value. £	1937. Quantity.	Principal sources of supply with values in £.
Provisions...	22,471	—	23,039	—	United Kingdom (18,367), Uruguay (2,106), Argentine (1,254).
Hardware ...	15,865	—	21,133	—	United Kingdom (19,857).
Drapery ...	5,123	—	5,012	—	United Kingdom (4,987).
Coal, coke and oil fuel.	7,510	—	4,769	—	Chile (2,415), Uruguay (2,330).
Timber ...	4,526	—	6,452	—	Chile (3,144), United Kingdom (1,812).
Paints, etc.	4,110	—	5,064	—	United Kingdom (2,231), Uruguay (1,828).
Chemicals ...	5,279	—	4,760	—	United Kingdom (4,479).
Beer ...	1,690	10,384 gal.	2,789	17,032 gal.	,, ,, (2,750).
Spirits ...	1,830	2,079 ,,	3,613	4,657 ,,	,, ,, (3,612).
Tobacco ...	2,652	8,293 lb.	4,321	13,215 lb.	,, ,, (4,250).
Wines ...	700	1,050 gal.	1,130	1,503 gal.	,, ,, (1,030).

Exports.

Almost the entire trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being inconsiderable.

The values and quantities of the principal domestic exports for the years 1936 and 1937 are given in the table below:

	1936. Value. £	1936. Quantity.	1937. Value. £	1937. Quantity.	Principal countries of destination with values in £.
Wool ...	98,684	3,994,537 lb.	162,511	4,560,063 lb.	United Kingdom (all).
Tallow ...	2,089	248,496 ,,	2,618	205,896 ,,	,, ,, (2,570).
Hides and Sheepskins.	7,825	75,812	17,923	110,153	,, ,, (17,904).
Seal Oil ...	6,581	2,732 bls.	4,200	1,654 bls.	,, ,, (all).

Coin and Notes.—Statistics of the imports of coin for the year 1937 and the previous four years are as follows:—

1933. £	1934. £	1935. £	1936. £	1937. £
25	750	—	960	1,125

There were no imports of notes and no exports of coin or notes during the five years 1933 to 1937.

VIII.—LABOUR.

The principal industry, which is sheep-farming, absorbs labour to the extent of some 500 persons. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company, Limited. There was a slight

increase in the number of men seeking employment in 1937, some of whom were granted relief work by the Agricultural Department during the winter months.

IX.—WAGES AND COST OF LIVING.

Rates of wages and hours of work remained the same throughout the year. Unskilled labourers were paid at the rate of 1s. 2d. an hour while skilled labourers and artisans received 1s. 4d. and 1s. 7d. an hour respectively. The number of hours worked per day was eight with a total of 40 to 45 a week. Wages for housemaids in domestic service with free board and lodging vary from £2 to £3 10s. per month; cooks receive from £3 to £4 10s. per month.

The average rate of wages on farm stations remained at £5 to £8 a month, with free quarters, fuel, meat and milk.

The cost of living varied little during the year, the average prices of the main articles of food being:—

Mutton	3d. per lb.
Beef	4d. per lb.
Pork, fresh	1s. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per doz.
Milk	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4 lb. loaf.
Sugar	2d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 8d. per lb.
Fresh vegetables	5d. per lb.
Butter (imported)	1s. 6d. to 2s. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

The cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and convenience for residents and occasional visitors, with charges ranging from £2 2s. to £3 3s. per week.

Unfurnished houses for workmen cost from £2 to £3 10s. per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are difficult to obtain and the average rent of an unfurnished house is £50 a year.

X.—EDUCATION AND WELFARE INSTITUTIONS.

Education of children between the ages of 5 and 14 years residing in Stanley is compulsory. There are two schools in Stanley, both elementary, the one maintained by the Government and the other by the Roman Catholic Mission. Provision is made at the Government school for attendance at a

continuation class for a two-year course of more advanced study. Grants are made by the Government in approved cases to enable children from country districts to be taught in Stanley.

Children who are unable to come to Stanley are taught by travelling teachers of whom the Government maintains three on the West Falkland and one on the East Falkland. The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition two itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions. Poor relief is granted by the Government in certain necessitous cases. The total amount expended in this connexion in 1937 amounted to £515. Legislative provision exists for the payment of compensation to workmen for injuries suffered in the course of their employment and a society known as the Stanley Benefit Club insures its members for sickness and death.

In Stanley there are three social clubs, the Colony Club, the Falkland Club and the Working Men's Social Club. Football is played throughout the year and the Stanley golf course provides a pleasant alternative to badminton under cover. Tennis and cricket are scarcely attempted. The most popular pastime is rifle shooting and the Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting in Stanley on the lines of those held at Bisley. The Colony has been represented at Bisley by teams in the Junior Kolapore and Junior Mackinnon Competitions for a number of years. The Falkland Islands were successful in winning the Junior Kolapore Cup in 1930 and 1934 and the Junior Mackinnon trophy in 1937. Miniature rifle shooting in the Drill Hall and in several of the camp districts is also very popular during the winter months. The local Miniature Rifle Club has been successful from time to time in the competitions inaugurated by the Society of Miniature Rifle Clubs. In 1933 it carried away the honours in the Dominion Clubs' Team Shoot.

The Stanley Sports Association holds an annual sports meeting in December or each year for horse-racing and athletic events.

Physical training forms an important part of the regular curriculum of the Government school as well as football, hockey and gymnastics.

There are also public baths and a well-equipped gymnasium.

The Town Hall, Stanley, in addition to housing the offices of several Government departments and the museum, contains a

fine main hall which is used for functions of varying description and for dances; the floor is well-sprung and can hold up to 250 couples at a time.

There is one sound-cinema in Stanley and also a public library with books to suit every taste.

XI.—COMMUNICATION AND TRANSPORT.

Communication between Stanley and the outside world is effected principally through Monte Video, to which port a service is maintained in accordance with actual requirements by the s.s. *Lafonia* a vessel of some 1,800 tons dead weight, belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from January, 1937. The Falkland Islands Company, Limited, also maintains the s.s. *Fitzroy* of some 600 tons dead weight. This vessel normally makes 12 to 15 voyages a year to Patagonia.

The distance from Stanley to Monte Video is rather more than 1,000 miles and the time taken on the voyage by the s.s. *Lafonia* averages four days. The average time occupied in the transit of mails to and from the United Kingdom, via Monte Video, is 26 days. Opportunities for the receipt and despatch of mails are available every four weeks.

Communication with South Georgia is maintained by the Falkland Islands Company's s.s. *Lafonia* which makes two voyages between Stanley and the Dependency during the year. The time occupied on the voyage in either direction averages three days.

The Government operates a wireless station for external traffic at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained with London and Monte Video, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

The telegraph charges for messages to the United Kingdom are 2s. 6d. a word for ordinary, 1s. 3d. a word for deferred, and 1s. 6d. a word for code.

No submarine cables exist.

Postage to the United Kingdom and the Empire is 1d. per ounce.

During the year 1937 there were 160 wireless sets licensed.

A broadcast relay service is maintained by the Government. The fee for subscribers to this service is £1 per annum and the number of subscribers in 1937 was 112. Overseas programmes are relayed from the studio to subscribers. Local programmes of gramophone records are also given, as well as news and sports items from London.

Communication between Stanley and the farms is carried out on horseback or by boat. There are no railways and no roads beyond the immediate vicinity of Stanley. The inter-insular service for mails and passengers is carried out by the s.s. *Fitzroy* and s.s. *Roydur* belonging to the Falkland Islands Company, Limited.

No inland telegraphs exist, but a telephone system is maintained by the Government in Stanley both for official and general use. Several of the farm stations have their own lines which are connected to the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government maintains a small wireless station for inter-insular traffic. Two farm stations have constructed radio stations of lower power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands; nor has the aeroplane as yet been introduced, although the possibility of development in this direction would seem certainly to warrant investigation.

The number, nationality, and description of the vessels which entered the Colony from overseas during 1937 are shown in the table below:—

Nationality.	*Steam vessels.*	*Tonnage.*
British	36	52,526
Foreign	3	960
	39	53,486

XII.—PUBLIC WORKS.

During the year new roads were constructed and improvements in drainage carried out in the outskirts of the town. The work of re-surfacing and tarring was continued over a considerable area of the town.

An extension of the Surf Bay roadway in an easterly direction was commenced and roads to the peat banks were further extended.

Several light wooden bridges were placed over streams on the tracks leading to the north camp for the convenience of travellers and the tracks leading to the west camp were dressed and drained.

Alterations were effected in several Government buildings, including the re-roofing of parts of Government House, improvements to the Government school, and the erection of a solarium at the King Edward Memorial Hospital, the latter being a presentation by public subscription. Alterations were also made to the public gymnasium to permit of the installation of a sound-cinema apparatus.

Heating systems were installed at the Defence Force drill hall and the wireless telegraph station.

The Medical Officer's quarters at Fox Bay were dismantled, removed from an isolated spot and re-erected with modern conveniences at a more central site at the port.

An average number of 61 men, exclusive of monthly employees, were on the pay roll during the year, as compared with 68 in 1936.

The total expenditure incurred under Public Works was £18,905.

XIII.—JUSTICE, POLICE AND PRISON.

The judicial system of the Colony is administered by a Supreme Court, in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. A number of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. There is a local Police Force consisting of four constables and a Chief Constable. The Chief Constable is also gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is rare. Cases of petty theft and of injury to property, however, occur from time to time. Twenty-two persons were dealt with in 1937 in the Summary Court and of this number 15 were convicted. No criminal issue came before the Supreme Court during the year and no cases came before the juvenile court.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition.

XIV.—LEGISLATION.

Ten Ordinances were passed by the Legislative Council in 1937. In addition to the Supplementary Appropriation (1936) Ordinance, No. 2, and the Appropriation (1938) Ordinance, No. 3, the following measures were enacted:—

The Discovery Ordinance, providing for the disposal of the Royal Research Ship *Discovery*.

The Workmen's Compensation Ordinance, making provision for the payment of compensation to workmen for injuries suffered in the course of their employment.

The Pensions Ordinance, providing for the grant of pensions, gratuities and other allowances to persons who have been in the public service of the Colony.

The Government Employees Provident Fund Ordinance, establishing a Provident Fund for certain non-pensionable employees of the Government.

The Forgery Ordinance, extending to the Colony and Dependencies thereof The Forgery Act, 1913, of the Imperial Parliament.

The Shipworkers Protection Ordinance, to give effect to the International Labour Convention concerning the protection against accidents of workers employed in loading or unloading ships.

The following subsidiary legislation was also enacted during the year:

Proclamation dated the 1st of December, declaring certain preparations to which Part II of the Dangerous Drugs Ordinance, 1925, shall cease to apply.

Order in Council dated the 13th of November, revoking Sections 2 and 3 of the Harbour Regulations of the 24th of April, 1929.

Order in Council dated the 6th of December, declaring the discontinuance of the use of all stamps for denoting duties of postage, bearing the effigies of Her Late Majesty Queen Victoria and His Late Majesty King Edward the Seventh.

Regulations providing for leave and passages of officers serving in the Colony and the Dependencies.

Regulations enacting minor amendments to existing legislation with regard to medical fees.

Regulations enacting a minor amendment to existing legislation regarding the quarantining of sheep imported from South America.

Regulations making provision for the granting of pensions, gratuities and other allowances to officers.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

There are no banks in the Colony other than the Government Savings Bank. Interest is paid at the rate of 2½ per cent. The total sum deposited at the close of the Bank's financial year on the 30th of September, was £185,418, and the number of depositors 1,069. The average amount standing to the credit of each depositor was £173, or about £77 per head of the population.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of 1 per cent. The Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations, also undertake a similar service.

The legal tender currency is British sterling and local £5, £1 and 10s. notes issued under the Falkland Islands Currency Notes Ordinance, 1930. The estimated value of coin and notes in circulation on the 31st of December was £3,000 and £22,000, respectively.

Imperial weights and measures only are used in the Colony.

XVI.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1937 from all sources was £85,599 as compared with £64,505 in 1936, and from ordinary sources £69,656 as compared with £57,944 in 1936. The increase in revenue is due mainly to the following surplus receipts:—Customs duties £3,485, estate duty £583, hospital and medical fees £540, sale of stamps £8,338, and wireless messages £301.

The actual ordinary expenditure was £48,865. To this, however, should be added the sum of £19,383 consequent on depreciation of investments, making a total of £68,248 or more by £27,134 than in 1936, and less by £1,408 than the revenue from ordinary sources.

The principal causes contributing to the excess expenditure on recurrent services in 1937 were:—An over-expenditure of £1,403 under the Post Office Department, due chiefly to the extraordinary large sales of Coronation stamps which necessitated additional printing, and the cost of the new 1938 issue of stamps; £201 under Military, attributable mainly to a special gratuity paid to the late Gymnastic and Drill Instructor; an excess of £20,221 under Miscellaneous, the chief contributory cause being the amount of £19,383 charged to this head consequent on the depreciation of investments; whilst under Public Works Recurrent an additional amount of £309 was spent on furniture for Government buildings, and the vote for minor works was exceeded by £130. In addition to expenditure on recurrent services a sum of £13,041 was expended on Public Works Extraordinary.

The revenue from all sources during the year was more than the expenditure of £81,289 by £4,310.

Comparative figures of the expenditure and the revenue for the past five years are given in the following table:—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1933	59,333	66,417	37,156	52,335
1934	101,584	102,700	37,519	54,463
1935	49,633	49,813	44,829	59,806
1936	57,944	64,505	41,115	51,702
1937	69,656	85,599	68,248	81,289

The Colony has no public debt. The excess of assets over liabilities on the 31st of December, 1937, amounted to £308,595 made up as follows:—

	£
Land Sales Fund	258,282
Other Surplus	50,313
	£308,595

The Falkland Islands Reserve Fund which stood at £34,000 on the 31st of December, 1936, remained unchanged.

The principal heads of taxation are:—

(1) Customs import and export duties.
(2) Rates levied on house property.

Customs import duties are payable on wines, malt, spirits, tobacco and matches, at the following rates:—

Wines	3s. a gallon in bulk or 3s. 6d. a dozen bottles of reputed pints.
Malt	6d. a gallon in casks or 6d. a dozen bottles of reputed pints.
Spirits	20s. a gallon.
Tobacco	4s. a pound.
Matches	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the duty is allowed on tobacco and cigarettes of Empire production and manufacture, and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates:—

Wool	1s. for every 25 lb.
Whale oil and seal oil ...	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The receipts from each source in 1937 were as follows:—

	£
Import duties	8,016
Export duties	9,468
Rate on house property	872

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in 54½° south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude 50 and 80 west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the *Discovery* Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a 100 miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on the grand scale right to the sea. During the year 1937 the average mean temperature was 35.38° F. Rain fell on 87 days and snow or sleet on 101 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced when a large rock forming the crest of a natural arch, and known locally as the " Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-9 several earthquake shocks were felt, the most pronounced

being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers were reported there in 1819. The fur-seal industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1 and 1821-2 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-4 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. Valuable contributions to the survey of the Dependencies have been made in recent years by the ships under the direction of the Discovery Committee, particularly the R.R.S. *Discovery II*. Knowledge of the South Georgia coast was much advanced in the years 1926-30, the South Sandwich group was surveyed in 1930, extensive running surveys were made in the South Orkneys in 1933, and from time to time in the South Shetlands.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilized mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident magistrate and official staff are

maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

There is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is resident either at the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 700, practically all males, but during the winter it is not more than one-third of that number. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian. One birth, no deaths and no marriages occurred in the Dependencies in 1937.

IV.—HEALTH.

There is little or no sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness, however, arises from the lack of fresh food-stuffs.

The Government does not maintain a Medical Officer in the Dependencies, but the whaling companies provide their own doctors, the Government contributing a share of the salary of the medical officer resident at Grytviken. In the Dependency of South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions were very bad during the year but health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression.

V.—HOUSING.

The housing question does not really arise in the Dependencies. All the officials are suitably housed in quarters at King Edward Cove and the accommodation provided by the whaling companies for the personnel working on their stations may be said to be fully adequate.

VI.—NATURAL RESOURCES.

Apart from sealing on a small scale, the only industry in the Dependencies is whaling, and whale and seal oil and by-products of the whale, such as guano, are their sole products. The whaling season is restricted to the period from 16th October to 16th April, and sealing operations are carried on at South Georgia during the period 1st March to 31st October.

At South Georgia two stations only conducted operations while the land station at Deception Island remained closed. No floating factories operated under licence from the Government. There was little or no improvement in the price of whale oil during the year. The price ranged from £14 to £21 a ton according to grade.

The season was a very poor one, blue whales in particular being scarce and weather conditions boisterous.

The catch amounted to 1,887 whales of which 97 only were blue, 1,552 fin, 40 humpback, 43 sperm and 155 sei. The number of barrels of oil produced was 90,266 with an average per "standard" whale of 96·85 barrels. 95,576 bags of guano and 47 tons of baleen were also produced.

For comparative purposes, the following table shows the actual catch, "standard whales", the oil and guano production, and the average for the season under review and the four preceding seasons:—

Season.	*Actual Catch of Whales.*	*"Standard" Whales.*	*Oil Produced (Barrels).*	*Guano (Bags).*	*Averages. Oil (Barrels).*	*Guano. (Bags).*
1933–34 ...	2,364	1,431	132,190	123,996	92·37	86·65
1934–35 ...	1,575	1,022	108,261	91,073	105·90	89·09
1935–36 ...	1,785	1,493	143,192	114,666	95·90	76·80
1936–37 ...	1,759	783	81,089	80,378	103·56	102·65
1937–38 ...	1,887	932	90,266	95,576	96·85	102·54

The total value of the season's production is estimated at £253,790 of which £180,502 represents the value of oil, £72,361 guano and £927 baleen.

VII.—COMMERCE.

The whole of the Dependencies requirements in foodstuffs is of necessity imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following tables:—

	Imports.				
	1933.	*1934.*	*1935.*	*1936.*	*1937.*
	£	£	£	£	£
Food, drink and tobacco...	9,884	7,898	9,804	8,340	11,430
Raw materials and articles mainly unmanufactured.	57,368	72,745	70,547	77,554	141,469
Articles wholly or mainly manufactured.	133,305	124,211	96,888	174,673	218,142
Miscellaneous and unclassified.	—	—	—	—	182
Bullion and specie ...	—	—	—	—	—
Total imports including importations from the High Seas for re-exportation.	£200,557	204,854	177,239	260,567	371,223

Exports.

	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Whale bone	160	2,200	1,221	1,362	728
Bone meal	—	1,521	1,589	4,454	4,401
Guano	41,674	65,838	62,768	70,268	34,328
Hardware, etc.	1,740	440	3,460	1,720	3,600
Seal oil	37,258	14,806	4,230	33,738	32,496
Whale oil	256,506	359,881	245,815	444,639	305,049
Whale meat meal ...	—	—	—	—	26,044
Other articles	15	10,800	6,400	—	—
Total exports including re-exports.	£337,353	455,486	325,483	556,181	406,646

Re-exports.

	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
Whale oil	102,982	93,842	60,015	133,658	178,190
Whale meat meal ...	—	—	—	—	4,574
Guano	—	—	—	4,667	—
Total re-exports ...	£102,982	93,842	60,015	138,325	182,764

Imports.

The percentage of total imports provided by the British Empire and foreign countries, excluding importations from the "high seas" for re-exportation, for the year under review and each of the preceding four years is given below:—

	1933.	1934.	1935.	1936.	1937.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*	*Per cent.*
British Empire ...	39·36	29·70	48·50	24·74	19·94
Foreign Countries ...	60·64	70·30	51·50	75·26	80·06

The principal supplying countries were:—

	1933.	1934.	1935.	1936.	1937.
	£	£	£	£	£
United Kingdom... ...	38,410	32,968	50,029	29,751	37,583
British West Indies ...	—	—	6,048	—	—
Argentine	4,772	5,524	7,505	3,952	3,710
Canary Islands	2,700	6,315	8,842	8,975	7,950
Cape Verde Islands ...	—	—	—	—	10,292
Denmark	—	—	2,583	4,317	—
Dutch West Indies ...	26,631	41,610	24,184	36,005	103,473
Holland	1,016	670	—	5,551	6,206
Norway	24,046	14,180	16,564	31,693	19,245

The principal articles imported during 1937 and the previous year were as follows:—

	1936. Value.	*1937. Value.*	*Principal sources of supply with values in £.*
	£	£	
Provisions	6,910	9,028	United Kingdom (3,609), Argentine (2,606), Norway (1,799).
Coal, coke and oil fuel.	75,076	140,124	Dutch West Indies (103,469), United Kingdom (18,114), Cape Verde (10,290), and Canary Islands (7,950).
Bags and bagging...	4,773	4,456	United Kingdom (3,004), Holland (1,452).
Canvas, rope, etc....	3,618	4,379	Norway (2,837), United Kingdom (1,013).
Hardware	18,847	17,229	Norway (9,061), United Kingdom (5,750), Holland (2,380).
Paints and oils ...	2,289	2,847	United Kingdom (1,679), Norway (1,016).

Exports.

The percentage of domestic exports sent to the British Empire and foreign countries for the year under review and each of the preceding four years is given below:—

	1933. Per cent.	*1934. Per cent.*	*1935. Per cent.*	*1936. Per cent.*	*1937. Per cent.*
British Empire ...	96·34	98·65	92·14	41·93	39·31
Foreign Countries ...	3·66	1·35	7·86	58·07	60·69

The principal countries of destination were:—

	1933.	*1934.*	*1935.*	*1936.*	*1937.*
	£	£	£	£	£
United Kingdom... ...	325,009	438,681	293,999	191,902	159,846
Argentine	12,344	5,606	12,084	70	9,065
French West Africa ...	—	—	13,000	—	—
Canary Islands	—	—	—	30,000	160,255
Denmark	—	—	—	—	77,480
Cape Verde Islands ...	—	—	—	177,040	—
Holland	—	—	—	15,385	—
Norway	—	—	—	42,380	—

The values and quantities of the principal domestic exports for the years 1936 and 1937 are given in the table below:—

	1936.		*1937.*	
	Value.	*Quantity.*	*Value.*	*Quantity.*
	£		£	
Whale bone	1,362	23 tons	728	49 tons.
Bone meal	4,454	8,335 bags	4,401	10,867 bags.
Guano	65,601	113,105 ,,	34,328	61,632 ,,
Hardware	1,720	—	3,600	—
Seal oil	33,738	11,246 brls.	32,496	11,953 brls.
Whale oil	310,981	116,616 ,,	126,859	36,246 ,,
Whale meat meal ...	—	—	21,470	42,490 bags.

Re-exports.

The re-exports from the Dependencies consist of whaling products from the "high seas" produced by pelagic whaling companies operating in the ice.

The values and quantities of the re-exports from South Georgia for the year 1936 and the year under review were as follows:—

	1936.		1937.	
	Value.	*Quantity.*	*Value.*	*Quantity.*
	£		£	
Whale oil	133,658	50,050 brls.	178,190	47,058 brls.
Whale meat meal ...	—	—	4,574	8,695 bags.
Guano	4,667	8,486 bags	—	—

There have been no imports or exports of coin or notes during the past five years.

VIII.—LABOUR.

Labour in South Georgia and on board the floating factories is especially recruited on contract terms. The average number of men employed during the whaling season from October to April is 700 and the average number of hours worked per week is 54. During the remainder of the year the number decreases to about 200 and the average number of hours per week worked without overtime to 40.

A number of Falkland Islands labourers were again employed on the two land stations at South Georgia and also on board the floating factories belonging to Messrs. Chr. Salvesen of Leith.

IX.—WAGES AND COST OF LIVING.

The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. There are no shops and no private trade in the Dependencies and all foodstuffs are provided by the whaling companies for the personnel engaged on their stations. The question of the cost of living does not, therefore, arise.

X.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

In South Georgia private cinematograph shows are run by the whaling companies for the benefit of the men employed on their stations. Football is played during the summer months and interest is taken in other forms of sport such as ski-ing during the deep snow of the winter months.

XI.—COMMUNICATIONS AND TRANSPORT.

As has been stated in Chapter XI, Part I, of this Report, communication with South Georgia and Stanley is maintained by the Falkland Islands Company's s.s. *Lafonia,* a vessel of some 1,800 tons which makes two voyages during the year for the conveyance of mails to and from South Georgia. Opportunities occur not infrequently during the whaling season for the despatch of mails between Europe and South Georgia direct and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken which is furnished by the motor auxiliary s.s. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in November and also on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they occur. Postal rates in the Dependencies are the same as from and to the Colony proper.

There is a wireless station at Grytviken maintained by the Government which is in regular communication with Stanley through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys.

No railways or roads exist in the Dependencies. Two floating docks are maintained at South Georgia, by the whaling companies, one at Grytviken and the other at Stromness Harbour. At Grytviken the dock has an overall length of 133 feet and a breadth of 34 feet with a lifting capacity of 600 tons. It is capable of taking vessels up to 140 feet in length and drawing 15 feet 6 inches. Stromness dock is 150 feet long, 34 feet wide and its lifting capacity is 700 tons. It will accommodate vessels up to 160 feet in length and 15 feet in draught.

There are only two ports of entry in the Dependencies, one at Grytviken, South Georgia, and the other at Port Foster, Deception Island, in the South Shetlands.

The number, nationality, and description of the vessels which entered at South Georgia in 1937 are given in the table below:—

	Steam.		*Sailing.*	
Nationality.	*Vessels.*	*Tonnage.*	*Vessels.*	*Tonnage.*
British	73	127,449	—	—
Foreign (mostly Norwegian) ...	48	63,403	1	497
	121	190,852	1	497

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. One constable is stationed at South Georgia. No cases of serious crime came before the Courts during the year. The personnel of the whaling industry forms a most peaceful and law-abiding community, rarely calling for the intervention of the civil authorities. A very high standard of discipline is maintained by the managers of the several whaling stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks of any description are in existence in the Dependencies. The same facilities as are afforded in the Colony through the Treasury at Stanley by the Government Savings Bank for deposit or by the Commissioner of Currency for remittances, are available in South Georgia through the agency of the Magistrate.

The legal tender currency is British sterling and Falkland Islands £5, £1 and 10s. notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XVI.—PUBLIC FINANCE AND TAXATION.

The revenue of the Dependencies is derived almost entirely from the whaling industry and amounted in 1937 to £12,942. As a result of the poor season export duty on whale oil and guano fell short of anticipated receipts by £3,364. The expenditure for the year amounted to £12,942 which is equal to the amount of revenue collected.

Comparative figures of the revenue and the expenditure for the past five years are given in the following table:—

	Revenue.	*Expenditure.*
	£	£
1933	12,081	18,384
1934	14,892	14,892
1935	12,617	12,617
1936	24,344	19,851
1937	12,942	12,942

The Dependencies have no public debt. The surplus of assets over liabilities on the 31st of December, 1937, amounted to £239,462 all of which is earmarked for the Research and Development Fund.

The principal heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and other products of the whaling industry such as guano. The amount collected by way of import duties in 1937 was £712 while export duties amounted to £8,436. The Customs tariff on importation is the same as in the Colony. Export duty on whale and seal oil was fixed at 1s. 6d. per barrel of 40 gallons or 9s. a ton. No change was made in the rate of export duty on guano which remained at 1½d. per 100 lb.

As in the Colony proper there are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

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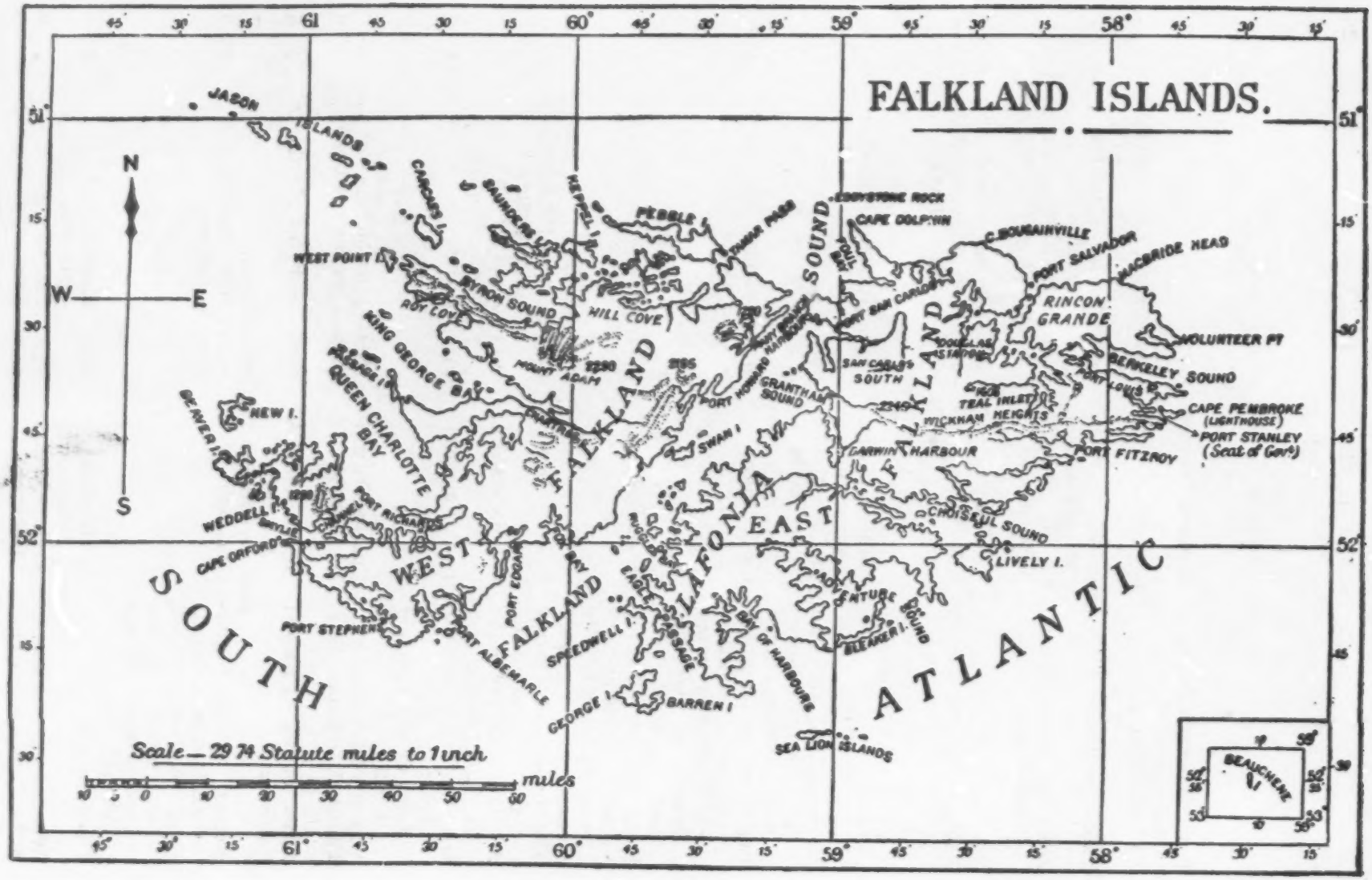

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Report of the Commission [Colonial No. 148] 3s. (3s. 6d.)

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Survey for 1936 [Colonial No. 149] £1 7s. 6d. (£1 8s. 2d.)

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Report of the Colonial Development Advisory Committee for the period 1st April, 1938, to 31st March, 1939 [Cmd. 6062] 9d. (10d.)

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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1938

TABLE OF CONTENTS

Chapter.		Colony. *Page.*	Dependencies *Page.*
I.	Geography, Climate and History	2	19
II.	Government	4	21
III.	Population	5	21
IV.	Health	5	22
V.	Housing	7	22
VI.	Natural Resources	7	22
VII.	Commerce	8	23
VIII.	Labour	11	26
IX.	Wages and Cost of Living	11	26
X.	Education and Welfare Institutions	12	26
XI.	Communications and Transport	13	27
XII.	Public Works	15	28
XIII.	Justice, Police and Prison	15	28
XIV.	Legislation	16	28
XV.	Banking, Currency, and Weights and Measures	17	28
XVI.	Public Finance and Taxation	17	28
	Appendix—Bibliography	30	30
	Map.		

PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE AND HISTORY

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows:

	Square Miles.
East Falkland and adjacent islands	2,580
West Falkland and adjacent islands	2,038
Total area of the group	4,618

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 ft. in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called " stone runs " the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are almost entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about 1,200 inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about 100 persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 in., precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting 24 hours.

The Falkland Islands, called by the French " Iles Malouines " and by the Spaniards " Islas Malvinas," were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594. and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of

the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe, through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and two unofficial members. There is also a Legislative Council composed of four official and four unofficial

members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local Government in the Colony.

III.—POPULATION.

The population is almost entirely white and has been derived to a large extent from the United Kingdom. There is a considerable element of Scandinavian blood.

The estimated population on the 31st of December, 1938, was 2,378 made up of 1,308 males and 1,070 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between the outlying districts of the East and West Falklands. The number of births registered in 1938 was 41, and of deaths 20, or respectively 17·24 and 8·41 per 1,000. Fourteen marriages were celebrated during the year. Three deaths occurred among infants under two years of age. 133 persons arrived in the Colony and 167 left in the course of the period under review.

IV.—HEALTH.

The climate is healthy, especially in the Camp districts but damp in and about Stanley; consequently it is not very suitable for persons with any rheumatic tendencies.

During the summer months the constant high winds are rather trying. The weather conditions in winter are slightly milder and more pleasant than those of the north of England. The conditions of living are simple; the ordinary social amenities of a larger Colony are almost entirely lacking. The quality of the food is good but lacks variety, especially with regard to vegetables, but with care in cultivation it is possible to guarantee at least a nine months' supply. Fruit is imported from Montevideo and the supply becomes better each year with the improved transport and a greater local demand. Steps are being taken by both the Medical and Agricultural Departments to improve the supply of fresh milk in the town of Stanley. Two licensed dairies are now in operation.

Dental caries is very prevalent amongst the Falkland Islanders, the children suffering from defective teeth at a very early age. The Dental Surgeon makes periodical tours of the East and West Falklands and holds a special clinic for school children every Saturday morning.

Vaccination is compulsory and the Vaccination Ordinance is rigidly enforced, every Medical Officer being appointed a Public Vaccinator for the area in which he is stationed.

Gastritis and dyspepsia are common complaints. Eight appendicectomies were performed during 1938. From time to time outbreaks of acute enteritis occur but so far the origin of these outbreaks has not been definitely determined.

Coryza in epidemic form is very common.

Six cases of tuberculosis were under treatment during the year. The incidence of bovine tuberculosis is being investigated, the double intradermal test being used.

Several school children were under treatment for impetigo contagiosa. Thread worm infection is very common among the children also.

Twenty-nine confinements took place in the hospital and two in the town, making a total of 31 as compared with 37 in the previous year.

The Government maintains out of public funds a hospital in Stanley, the King Edward VII Memorial Hospital. The hospital has 17 beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved X-ray apparatus has been installed.

The staff of the Medical Department includes a Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to junior nurses locally recruited and trained.

A Medical Officer made periodical tours of the North-East Falkland, the remainder of the East Falkland being under the Falkland Islands Company's Medical Officer stationed at Darwin.

During the year the Senior Medical Officer made an extensive tour of the East and West Falklands.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1938, 224 persons were admitted to the hospital as compared with 219 in the previous year and 730 first attendances and 1,094 subsequent visits were seen in the out-patients department. Eight deaths occurred in hospital; 164 operations were performed as compared with 184 in the previous year.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint disease. General irradiation has also been given.

In the town of Stanley, sewage is disposed of partly by the water-carriage system and partly by the earth closet method. The disposal of sewage, which is deposited in the harbour, is efficient as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health By-laws, all ashes and household refuse must be stored in properly constructed bins which are emptied fortnightly by a Contractor. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate for present needs. The drainage system of the town continues to be improved.

Bi-annual rat weeks continued, with considerable success, and rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

The houses erected are of a suitable type, and conform to the requirements of the Board of Health as regards both construction and sanitary arrangements. There is no overcrowding in Stanley, the rate of building being adequate to the needs of the population. In the majority of cases, the wage-earning population own their own houses, which are well built and comfortable. Building loans are made by the Government in suitable cases, to facilitate the construction of new houses. The Government also maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector, and householders are requested to keep their premises in as sanitary a condition as circumstances permit. Power is vested in the Board of Health to condemn premises as unfit for human occupation. In general terms the housing of the people may be said to be fully satisfactory.

VI.—NATURAL RESOURCES.

The whole acreage of the Colony is divided into sheep farms varying approximately in extent from 24,000 to 150,000 acres and carrying on the average between 8,000 and 35,000 sheep, or say one sheep for every three to five acres.

The Colony has no resources of known value apart from the production of wool, skins and tallow. Forage crops are produced to a limited extent but with this exception there is practically no agriculture in the Colony. The country may be said to be still in its virgin state and is capable of development. With the exception of some 40,000 acres of Government Reserve the entire land is under alienation.

The Agricultural Department established in 1937 continued its work during the year in connection with the investigation of the sheep farming industry. Work on the improvement of the pastures on Stanley Common was also carried out and included surface draining. Sowing of large areas of land with English grasses, planting of Tussac and Sand grasses and the erection of sub-divisional fences.

The average production of wool during the past five years was four million pounds annually. The actual weight of wool exported in 1938 was 3,618,327 lb. valued at £163,109, or less by 984,632 lb. than the previous year. The average price realized was 10·81 pence per lb.

Some 29,000 sheep were exported during the year to Chile for freezing and re-export for sale on the market in the United Kingdom. The estimated value of the sheep exported was £14,508.

Hides and Skins exported during the year were valued at £19,436 as against £17,923 in 1937, an increase of £1,513.

Livestock.—A number of rams and ewes were imported from New Zealand and Patagonia in 1938 for the purpose of improving the flocks in the Colony, and two Freisian bulls were imported from New Zealand by the Government with a view to the improvement of the cattle herds in the islands.

Seal Oil.—The Falkland Islands and Dependencies Sealing Company, Limited, which has confined its activities hitherto to the production of oil from hair seal, was unable to continue operating in 1938 on account of the unfavourable market conditions.

The whole of the produce of the Colony is exported to the United Kingdom.

VII.—COMMERCE.

With the exception of meat and a limited quantity of garden produce practically the whole of the Colony's requirements in foodstuffs is imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following tables :—

IMPORTS.

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Food, drink and tobacco	35,113	32,741	34,078	40,100	38,45,
Raw materials and articles mainly unmanufactured	9,125	10,513	13,403	12,601	16,828
Articles wholly or mainly manufactured	45,644	48,599	51,245	57,476	53,967
Miscellaneous and unclassified	1,315	8,988	2,401	5,450	4,065
Bullion and specie ...	750	—	960	1,125	205
Total imports ...	£91,947	100,841	102,087	116,752	113,522

EXPORTS.

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Wool	130,325	109,381	98,684	162,511	163,109
Hides and skins	9,257	6,927	7,825	17,923	19,436
Tallow	1,867	2,070	2,089	2,618	829
Livestock	—	457	591	13,773	15,236
Seal oil	16	4,135	6,581	4,200	—
Other articles	1,249	1,331	887	2,995	2,096
Total exports ...	£142,714	124,301	116,657	204,020	200,706

There were no re-exports during the year.

Imports.

The percentage of total imports provided by the British Empire and foreign countries for the year under review and each of the preceding four years is given below:—

	British Empire. *Per cent.*	*Foreign Countries.* *Per cent.*
1934	79·73	20·27
1935	77·53	22·47
1936	78·62	21·38
1937	76·23	23·77
1938	72·95	27·05

The principal supplying countries were :—

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
United Kingdom	73,234	71,561	80,143	85,107	78,750
Other parts of British Empire	84	6,624	116	3,756	4,072
Argentine	3,459	3,904	5,520	4,263	4,105
Brazil	1,054	2,272	1,035	1,848	—
Chile	3,530	6,209	4,491	9,839	4,725
Sweden	—	—	—	—	10,333
Uruguay...	9,780	9,118	9,567	9,701	7,519
U.S.A.	—	—	—	—	3,129

The principal articles imported during 1938 and the previous year were as follows :—

	1937.		1938.		*Principal sources of supply with values in £.*
	Value.	*Quantity.*	*Value.*	*Quantity.*	
	£		£		
Provisions ...	23,039	—	23,431	—	United Kingdom (19,340), Uruguay (1,519), Argentine (1,286).
Hardware ...	21,133	—	18,498	—	United Kingdom (18,498).
Drapery ...	5,012	—	4,217	—	United Kingdom (4,217).
Coal, coke and oil fuel.	4,769	—	2,481	—	United Kingdom (511), Uruguay (1,320).
Timber ...	6,452	—	14,317	—	United Kingdom (2,812), Sweden (9,917), Chile (1,471).
Paints, etc. ...	5,064	—	5,664	—	United Kingdom (2,743), Uruguay (2,343), Argentine (361).
Chemicals ...	4,760	—	5,614	—	United Kingdom (4,951), Argentine (300).
		gal.		gal.	
Beer	2,789	17,032	2,584	14,986	United Kingdom (2,567).
Spirits ...	3,613	4,657	4,007	4,727	United Kingdom (3,923).
		lb.		lb.	
Tobacco ...	4,321	13,215	3,232	9,415	United Kingdom (3,198).
		gal.		gal.	
Wines ...	1,130	1,503	883	1,128	United Kingdom (670), France (111).

Exports.

Almost the entire trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being inconsiderable.

The values and quantities of the principal domestic exports for the years 1937 and 1938 are given in the table below :—

	1937.		1938.	
	Value.	*Quantity.*	*Value.*	*Quantity.*
	£	lb.	£	lb.
Wool	162,511	4,560,063	163,109	3,618,327
				cks.
Tallow	2,618	205,896	829	167
		No.		No.
Hides and sheepskins	17,923	110,153	19,436	88,251
		bls.		
Seal oil	4,200	1,654	—	—

The decrease in the quantity of wool exported as compared with 1937 is due to the fact that shipments in respect of the 1937–8 clip were made in December, 1937, instead of being held over until the following month of January which is the usual procedure.

Coin and Notes.—Statistics of the imports of coin for the year 1938 and the previous four years are as follows :—

	£
1934	750
1935	—
1936	960
1937	1,125
1938	205

There were no imports of notes and exports of coin or notes during the five years 1934 to 1938.

VIII.—LABOUR.

The labour conditions of the Colony are such that it has not been found necessary to establish a Labour Department.

The principal industry, which is sheep-farming, absorbs labour to the extent of some 500 persons. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company, Limited. During the year an average number of 60 men, exclusive of monthly employees, were on the pay roll of the Public Works Department. Surplus labour in 1938 was absorbed by the Agricultural Department on works in connection with the improvement of pastures, an average of 40 being employed throughout the year.

Legislative provision exists for the payment of compensation to workmen for injuries suffered in the course of their employment. Legislation was enacted in the year 1932 empowering the Governor in Council to fix minimum wages for any occupation in any district in which these are considered unreasonably low. Up to the present it has not been found necessary to exercise that power.

IX.—WAGES AND COST OF LIVING

Rates of wages and hours of work remained the same throughout the year. Unskilled labourers were paid at the rate of 1s. 2d. an hour while skilled labourers and artisans received 1s. 4d. and 1s. 7d. an hour respectively. The number of hours worked per day was eight with a total of 40 to 45 a week. Wages for housemaids in domestic service with free board and lodging vary from £2 to £3 10s. per month ; cooks receive from £3 to £4 10s. per month.

The average rate of wages on farm stations remained at £5 to £8 a month, with free quarters, fuel, meat and milk.

The cost of living varied little during the year, the average prices of the main articles of food being :—

Mutton	3d. per lb.
Beef...	4d. per lb.
Pork, fresh...	1s. per lb.
Fowls	2s. to 3s. each.
Fish, fresh	2d. to 3d. per lb.
Eggs	2s. to 3s. per doz.
Milk...	8d. to 1s. per quart.
Potatoes	1½d. to 3d. per lb.
Bread	1s. per 4-lb. loaf.
Sugar	2d. per lb.
Tea	2s. to 3s. per lb.
Coffee	1s. 10d. to 2s. 8d. per lb.
Fresh vegetables	5d. per lb.
Butter (imported)	1s. 6d. to 2s. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

The cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and convenience for residents and occasional visitors, with charges ranging from £2 2s. to £3 3s. per week.

Unfurnished houses for workmen cost from £2 to £3 10s. per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are difficult to obtain and the average rent of an unfurnished house is £50 a year.

X.—EDUCATION AND WELFARE INSTITUTIONS.

Education of children between the ages of five and fourteen years residing in Stanley is compulsory. There are two schools in Stanley, both elementary, the one maintained by the Government and the other by the Roman Catholic Mission. Provision is made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made by the Government in approved cases to enable children from country districts to be taught in Stanley.

Children who are unable to come to Stanley are taught by travelling teachers of whom the Government maintains three on the West Falkland and one on the East Falkland. The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition two itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions. Poor relief is granted by the Government in certain necessitous cases. The total amount expended in this connection in 1938 amounted to £725. A society known as the Stanley Benefit Club insures its members for sickness and death.

In Stanley there are three social clubs, the Colony Club, the Falkland Club and the Working Men's Social Club. Football is played throughout the year and the Stanley golf course provides a pleasant alternative to badminton under cover. Tennis and cricket are scarcely attempted. The most popular pastime is rifle shooting and the Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting in Stanley on the lines of those held at Bisley. The Colony has been represented at Bisley by teams in the Junior Kolapore and Junior MacKinnon competitions for a number of years. The Falkland Islands were successful in winning the Junior Kolapore Cup in 1930 and 1934 and the Junior MacKinnon trophy in 1937. Miniature rifle shooting in the Drill Hall and in several of the Camp districts is also very popular during the winter months. The local Miniature Rifle Club has been successful from time to time in the competitions inaugurated by the Society of Miniature Rifle Clubs. In 1933 it carried away the honours in the Dominion Clubs' Team Shoot.

The Stanley Sports Association holds an annual sports meeting in December of each year for horse racing and athletic events.

Physical training forms an important part of the regular curriculum of the Government school as well as football, hockey and gymnastics.

There are also public baths and a well-equipped gymnasium.

The Town Hall, Stanley, in addition to housing the offices of several Government departments and the Museum, contains a fine main hall which is used for functions of varying description and for dances ; the floor is well-sprung and can hold up to two hundred and fifty couples at a time.

There is one sound cinema in Stanley and also a public library with books to suit every taste.

XI.—COMMUNICATIONS AND TRANSPORT.

Communications between Stanley and the outside world is affected principally through Montevideo, to which port a service in maintained in accordance with actual requirements by the s.s. *Lafonia*, a vessel of some 1,800 tons dead weight belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from January, 1937. The vessel also makes occasional voyages to Patagonia. The s.s. *Fitzroy*, of some 600 tons dead weight, hitherto maintained by the Falklands Islands Company, Limited, was taken off service and offered for sale in 1938.

The distance from Stanley to Montevideo is rather more than 1,000 miles and the time taken on the voyage by the s.s. *Lafonia* averages 4 days. The average time occupied in the transit of mails to and from the United Kingdom, via Montevideo, is 26 days. Opportunities for the receipt and despatch of mails are available every four weeks.

Communication with South Georgia is maintained by the Falkland Islands Company's s.s. *Lafonia* which makes two voyages between Stanley and the Dependency during the year. The time occupied on the voyage in either direction averages three days.

The Government operates a wireless station for external traffic at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained with London and Montevideo, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraphic charges to the United Kingdom are 1s. 3d. a word for ordinary, 10d. a word for code, and 7½d. a word for deferred messages.

No submarine cables exist.

Postage to the United Kingdom and the Empire is 1d. per ounce.

During the year 1938 there were 239 wireless sets licensed.

A broadcast relay service is maintained by the Government. The fee for subscribers to this service is £1 per annum and the number of subscribers in 1938 was 112. Overseas programmes are relayed from the studio to subscribers. Local programmes of gramophone records are also given, as well as news and sports items from London.

Communication between Stanley and the farms is carried out on horseback or by boat. There are no railways and no roads beyond the immediate vicinity of Stanley. The inter-insular service for mails and passengers is carried out by the s.s. *Lafonia*.

No inland telegraphs exist, but a telephone system is maintained by the Government in Stanley both for official and general use. Several of the farm stations have their own lines which are connected to the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government maintains a small wireless station for inter-insular traffic. Two farm stations have constructed radio stations of lower power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands; nor has the aeroplane as yet been introduced although the possibility of development in this direction would seem certainly to warrant investigation.

The number, nationality, and description of the vessels which entered the Colony from overseas during 1938 are shown in the table below :—

Nationality.	*Steam Vessels.*	*Tonnage.*
British	29	35,938
Foreign	3	708
	32	36,646

XII.—PUBLIC WORKS

During the year roads in Stanley were reconditioned with bitumen and shingle and are all in good condition, roads to the camps were reconditioned over considerable areas and roads to peat banks are still extending.

Further drainage was laid at the east end of the town connecting all new roads to sewers.

A new concrete block building was erected for Secretariat and Treasury Offices, and quarters erected for the orderly and caretaker at Government House.

Alterations in Government buildings included an addition to the laundry of a steam-heated drying-room at the King Edward Memorial Hospital, a workshop with modern equipment at the Public Works garage, a workshop at the Agriculture Station, and improved facilities at the Quarantine Station.

The total expenditure incurred under Public Works was £26,174.

XIII.—JUSTICE, POLICE AND PRISON.

The judicial system of the Colony is administered by a Supreme Court in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. A number of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. There is a local Police Force consisting of four constables and a Chief Constable. The Chief Constable is also gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is rare. Cases of petty theft and of injury to property, however, occur from time to time. Fifteen persons were dealt with in 1938 in the Summary Court and of this number, fourteen were convicted. No criminal issue came before the Supreme Court during the year and no cases came before the juvenile court.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition.

XIV.—LEGISLATION.

Eighteen Ordinances were passed by the Legislative Council in 1938. In addition to the Supplementary Appropriation (1937) Ordinance, No. 1, and the Appropriation (1939) Ordinance, No. 14, the following measures were enacted :—

The Dairy-Produce Ordinance, relating to the Inspection of Dairies and the Manufacture and Sale of Dairy-Produce.

The Civil Procedure Ordinance, making provision for Procedure in Civil Courts.

The Lighting Control Ordinance, providing for the total or partial cessation of lighting in the Colony by regulation of the Governor in Council on occasions of emergency or public danger or by way of experiment or practice for such occasions.

The Registration (Amendment) Ordinance, amending the Registration of Still-births.

The Government Employees Provident Fund Ordinance establishing a Provident Fund for certain non-pensionable employees of the Government.

The Medical Practitioners, Midwives and Dentists (Amendment) Ordinance, enacting a minor amendment to existing legislation.

The Petroleum-Spirit Ordinance, providing for the safe storage of petroleum spirit.

The Publications Importation (Prohibition) Ordinance, providing for the prohibition by Order of the Governor in Council of the importation into the Colony of any publication.

The Seditious Offences (Penalties) Ordinance, making provision for penalties for seditious offences in the Colony.

The Merchant Shipping (International Labour Convention) Ordinance, giving effect to a certain draft Convention adopted by the International Labour Conference relating to an unemployment indemnity for seamen in the case of loss or foundering of their ship.

The Registration of United Kingdom Trade Marks Ordinance, providing for the registration in the Colony of trade marks registered in the United Kingdom.

The Administration of Justice (Amendment) Ordinance, enacting a minor amendment to existing legislation.

The following subsidiary legislation was also enacted during the year :—

Proclamation dated the 16th of March, bringing into force Ordinance No. 4 of 1937.

Order in Council dated the 10th of March, prohibiting the importation of tear-gas into the Colony.

Regulations amending existing legislation relating to whaling.

Regulations making it compulsory for all vessels to carry lights while under way in Stanley Harbour.

Regulations making provision for the appointment of nurse probationers at the King Edward VII Memorial Hospital.

By-laws repealing and replacing existing Board of Health By-laws.

Regulations repealing and replacing existing legislation with regard to medical fees.

Regulations making provision for the control of dairies and dairy-produce.

Regulations enacting minor amendments to existing legislation regarding leave and passages.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

There are no banks in the Colony other than the Government Savings Bank. Interest is paid at the rate of 2½ per cent. The total sum deposited at the close of the Bank's financial year on the 30th of September, was £200,460, and the number of depositors 1,085. The average amount standing to the credit of each depositor was £184, or about £84 per head of the population.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. The Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations, also undertake a similar service.

The legal tender currency is British sterling and local £5, £1 and 10s. notes issued under the Falkland Islands Currency Notes Ordinance, 1930. The estimated value of coin and notes in circulation on the 31st of December was £3,000 and £24,500 respectively.

Imperial weights and measures only are used in the Colony.

XVI.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1938 from all sources was £70,553 as compared with £85,599 in 1937 and from ordinary sources £61,619 as against £69,656 in the preceding year. The decrease in revenue is due mainly to short falls under the following heads of revenue:—IV Fees, Fines (£709), V Interest (£697), VIII Rents (£212), IX Miscellaneous (£3,155), and X Contribution from the Dependencies (£2,010).

The actual ordinary expenditure was £58,162 or more by £9,297 than the previous year and less by £3,457 than the revenue from ordinary sources.

The principal contributory causes to the excess expenditure on recurrent services in 1938 were an over-expenditure of £3,241 under head XVII Miscellaneous and £5,314 under head XIX Public Works recurrent due to the bringing to account against the various votes of the value of the balance of the Unallocated Stores Account on the 1st of January, 1938. In addition a sum of £10,560 was expended on Public Works Extraordinary which amount exceeded the original estimate by £2,165. The excess is due to the extra provision of £3,000 required to expedite the completion of the Secretariat building.

The revenue from all sources during the year was less than the expenditure of £70,673, exclusive of depreciation of investments and transfer to the Research Fund, by £120.

Comparative figures of the expenditure and the revenue for the past five years are given in the following table :—

	Revenue.		*Expenditure.*	
	Ordinary.	*Total.*	*Ordinary.*	*Total.*
	£	£	£	£
1934	101,584	102,700	37,519	54,463
1935	49,633	49,813	44,829	59,806
1936	57,944	64,505	41,115	51,702
1937	69,656	85,599	68,248	81,289
1938	61,619	70,553	58,612	70,673

The Colony has no public debt. The excess of assets over liabilities on the 31st of December, 1938, amounted to £280,809.

Investments.—During the year a sum of £16,000 was transferred to the Reserve Fund of the Colony from General Revenue Balance.

In accordance with the provisions of Ordinance No. 8 of 1938 a Government Employees Provident Fund was inaugurated in 1938. The balance of the fund at the close of the year stood at £2,864 19s. 10d.

Colonial Development Fund.—In December, 1938, a sum of £3,200 was received from the Colonial Development Fund as the major portion of a free grant made to the Colony towards the cost of improvement of pastures and to cover the expenses of a technical expert who visited the Colony in 1937 to carry out an analysis of the pastures with a view to their subsequent improvement.

The Falkland Islands Reserve Fund which stood at £34,000 on the 31st of December, 1937, was increased to £50,000 during the year 1938.

The principal heads of taxation are :—

(1) Customs import and export duties.
(2) Rates levied on house property.

Customs import duties are payable on wines, malt, spirits, tobacco and matches, at the following rates :—

Wines	...	3s. a gallon in bulk or 3s 6d. a dozen bottles of reputed pints.
Malt	...	6d. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits	...	20s. a gallon.
Tobacco	...	4s. a pound.
Matches	...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates :—

Wool	1s. for every 25 lb.
Whale oil and seal oil	1s. 6d. for every barrel of forty gallons, or 9s. a ton.

The receipts from each source in 1938 were as follows :—

	£
Import Duties	7,203
Export Duties	7,244
Rate on house property	869

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land. Large areas of land in the Antarctic Continent are also comprised in the Dependencies.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in $54\frac{1}{2}°$ south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently

frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the "Discovery" Expedition and the British Graham Land Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on a grand scale right to the sea. During the year 1938 the average mean temperature was 35·08° Fahrenheit. Rain fell on 76 days and snow or sleet on 73 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced when a large rock forming the crest of a natural arch, and known locally as the "Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928–9 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal

industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820–1 and 1821–2 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822–4 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. Valuable contributions to the survey of the Dependencies have been made in recent years by the ships under the direction of the Discovery Committee, particularly the R.R.S. *Discovery II*. Knowledge of the South Georgia coast was much advanced in the years 1926–30, the South Sandwich group was surveyed in 1930, extensive running surveys were made in the South Orkneys in 1933, and from time to time in the South Shetlands.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilised mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident Magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

There is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is resident either at the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 750, practically all males, but during the winter it is not more than one-third of that number. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian. No deaths, births or marriages occurred in the Dependencies in 1938.

IV.—HEALTH.

There is little or no sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness, however, arises from the lack of fresh food-stuffs.

The Government does not maintain a Medical Officer in the Dependencies, but the whaling companies provide their own doctors, the Government contributing a share of the salary of the Medical Officer resident at Grytviken. In the Dependency of South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions were very bad during the year but health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression.

V.—HOUSING.

The housing question does not really arise in the Dependencies. All the officials are suitably housed in quarters at King Edward Cove and the accommodation provided by the whaling companies for the personnel working on their stations may be said to be fully adequate.

VI.—NATURAL RESOURCES.

Apart from sealing on a small scale, the only industry in the Dependencies is whaling, and whale and seal oil and by-products of the whale, such as guano, are their sole products. The whaling season is restricted to the period from 16th October to 16th April, and sealing operations are carried on at South Georgia during the period 1st March to 31st October.

At South Georgia two stations only conducted operations while the land station at Deception Island remained closed. No floating factories operated under licence from the Government. The price of whale oil in 1938 ranged from £11 to £17 a ton according to grade.

In spite of adverse weather conditions the season was a successful one. 1,675 whales were taken as compared with 1,887 whales in the 1937–38 season. The total catch was made up of 1,307 fin, 232 blue, 117 sperm and 19 sei whales.

The quantity of oil produced amounts to 111,291 barrels with an average per " standard " whale of 109·1 barrels. 101,436 bags of guano were also produced.

For comparative purposes, the following table shows the actual catch, " standard whales," the oil and guano production, and the average for the season under review and the four preceding seasons :—

	1934–5.	*1935–6.*	*1936–7.*	*1937–8.*	*1938–9.*
Actual catch of whales	1,575	1,785	1,759	1,887	1,675
" Standard " whales	1,022	1,493	783	932	928
Oil produced (lbs.) ...	108,261	143,192	81,089	90,266	111,291
Guano (bags) ...	91,073	114,666	80,378	95,576	101,436
Averages—					
Oil (lbs.)	105·90	95·90	103·56	96·85	109·1
Guano (bags) ...	89·09	76·80	102·65	102·54	98·3

The total value of the season's production is estimated at £294,771 of which £205,978 represents the value of oil, and £88,793 guano.

VII.—COMMERCE.

The whole of the Dependencies requirements in foodstuffs is of necessity imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following table :—

IMPORTS.

	1934.	*1935.*	*1936.*	*1937.*	*1938.*
	£	£	£	£	£
Food, drink and tobacco ...	7,898	9,804	8,340	11,430	9,959
Raw materials and articles mainly unmanufactured.	72,745	70,547	77,554	141,469	79,186
Articles wholly or mainly manufactured.	124,211	96,888	174,673	218,142	183,604
Miscellaneous and unclassified	—	—	—	182	159
Bullion and specie	—	—	—	—	—
Total imports, including importations from the " high seas " for re-exportation.	£204,854	177,239	£260,567	£371,223	272,908

The decrease in the value of the total imports in 1938 is due to smaller importations of whale products from the " high seas " and to the fact that importations of oil fuel in 1937 were much in excess of actual requirements.

EXPORTS.

	1934.	*1935.*	*1936.*	*1937.*	*1938.*
	£	£	£	£	£
Whale bone	2,200	1,221	1,362	728	810
Bone meal	1,521	1,589	4,454	4,401	—
Guano	65,838	62,768	70,268	34,328	39,532
Hardware, etc.	440	3,460	1,720	3,600	2,320
Seal oil	14,806	4,230	33,738	32,496	23,714
Whale oil	359,881	245,815	444,639	305,049	372,527
Whale meat meal	—	—	—	26,044	23,875
Other articles	10,800	6,400	—	—	134
Total exports including re-exports.	£455,486	325,483	556,181	406,646	462,912

RE-EXPORTS.

	1934. £	1935. £	1936. £	1937. £	1938. £
Whale oil	93,842	60,015	133,658	178,190	211,361
Whale meat meal	—	—	—	4,574	—
Guano	—	—	4,667	—	—
Total re-exports	£93,842	60,015	138,325	182,764	211,361

Imports.

The percentage of total imports provided by the British Empire and foreign countries, excluding importations from the " high seas " for re-exportation, for the year under review and each of the preceding four years is given below :—

	1934. Per cent.	1935. Per cent.	1936. Per cent.	1937. Per cent.	1938. Per cent.
British Empire ...	29·70	48·50	24·74	19·94	32·37
Foreign Countries ...	70·30	51·50	75·26	80·06	67·63

The principal supplying countries were :—

	1934. £	1935. £	1936. £	1937. £	1938. £
United Kingdom ...	32,968	50,029	29,751	37,583	39,211
British West Indies ...	—	6,048	—	—	—
Argentine	5,524	7,505	3,952	3,710	3,801
Canary Islands	6,345	8,842	8,975	7,950	—
Cape Verde Islands ...	—	—	—	10,292	—
Denmark	—	2,583	4,317	—	3,150
Dutch West Indies ...	41,610	24,184	36,005	103,473	57,127
Holland	670	—	5,551	6,206	—
Norway	14,180	16,564	31,693	19,245	17,840

The decrease in the values of imports in 1938 from Canary Islands, Cape Verde Islands and Dutch West Indies is due to the fact that importations of oil fuel from these countries were much in excess of actual requirements in 1937.

The principal articles imported during 1938 and the previous year were as follows :—

	1937. Value. £	1938. Value. £	Principal sources of supply with value in £.
Provisions ...	9,028	7,917	United Kingdom (2,383), Norway (3,087), and Argentine (2,094).
Coal, coke and oil fuel.	140,124	76,966	Dutch West Indies (57,045), United Kingdom (19,501), and Norway (420).
Bags and bagging	4,456	4,594	United Kingdom (4,594).
Canvas, rope, etc.	4,379	680	United Kingdom (529), and Denmark (148).
Hardware ...	17,229	16,510	Norway (8,521), United Kingdom (5,094), Denmark (2,262), and Argentine (601).
Paints and oils ...	2,847	3,229	United Kingdom (21,271), and Norway (966).

Exports.

The percentage of domestic exports sent to the British Empire and foreign countries for the year under review and each of the preceding four years is given below :—

	British Empire. *Per cent.*	*Foreign Countries.* *Per cent.*
1934	98·65	1·35
1935	92·14	7·86
1936	41·93	58·07
1937	39·31	60·69
1938	71·37	28·63

The principal countries of destination were :—

	1934.	*1935.*	*1936.*	*1937.*	*1938.*
	£	£	£	£	£
United Kingdom... ...	438,681	293,999	191,902	159,846	205,726
Argentine...	5,606	12,084	70	9,065	180
French West Africa ...	—	13,000	—	—	—
Canary Islands	—	—	30,000	160,255	16,700
Denmark	—	—	—	77,480	—
Cape Verde Islands ...	—	—	177,040	—	29,360
Holland	—	—	15,385	—	—
Norway	—	—	42,380	—	36,220

The values and quantities of the principal domestic exports for the years 1937 and 1938 are given in the table below :—

	1937.		*1938.*	
	Value.	*Quantity.*	*Value.*	*Quantity.*
	£	tons	£	tons
Whale bone ...	728	49	810	47
		bags		
Bone meal... ...	4,401	10,867	—	—
				bags
Guano	34,328	61,632	39,532	64,973
Hardware	3,600	—	2,320	—
		brls.		brls.
Seal oil	32,496	11,953	23,714	11,857
Whale oil	126,859	36,246	372,527	182,861
		bags		bags
Whale meat meal...	21,470	42,490	23,875	76,998

Re-exports.

The re-exports from the Dependencies consist of whaling products from the "high seas" produced by pelagic whaling companies operating in the ice.

The values and quantities of the re-exports from South Georgia for the year 1937 and the year under review were as follows :—

	1937.		*1938.*	
	Value.	*Quantity.*	*Value.*	*Quantity.*
	£	brls.	£	brls.
Whale oil	178,190	47,058	211,361	102,328
		bags		
Whale meat meal...	4,574	8,695	—	—
Guano	—	—	—	—

There have been no imports or exports of coin or notes during the past five years.

VIII.—LABOUR.

Labour in South Georgia and on board the floating factories is especially recruited on contract terms. The average number of men employed during the whaling season from October to April is some 700 and the average number of hours worked per week is 54. During the remainder of the year the number decreases to about 200 and the average number of hours per week worked without overtime to 40.

Some 30 Falkland Islands labourers were employed on the two land stations at South Georgia and also on board the floating factories belonging to Messrs. Chr. Salvesen and Company, of Leith, Scotland. It is a condition of the leases of the land stations at South Georgia that up to 5 per cent. of the workers, exclusive of the maintenance staff, must be recruited in the Falkland Islands and supplied by the Government if suitable men are available.

IX.—WAGES AND COST OF LIVING.

The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. There are no shops and no private trade in the Dependencies and all food-stuffs are provided by the whaling companies for the personnel engaged on their stations. The question of the cost of living does not, therefore, arise.

X.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

In South Georgia private cinematograph shows are run by the whaling companies for the benefit of the men employed on their stations. Football is played during the summer months and interest is taken in other forms of sport such as ski-ing during the deep snow of the winter months.

XI.—COMMUNICATIONS AND TRANSPORT.

As has been stated in Chapter XI, Part I, of this Report, communication with South Georgia and Stanley is maintained by the Falkland Islands Company's s.s. *Lafonia*, a vessel of some 1,800 tons which makes two voyages during the year for the conveyance of mails to and from South Georgia. Opportunities occur not infrequently during the whaling season for the despatch of mails between Europe and South Georgia direct and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.s. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in November and also on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they occur. Postal rates in the Dependencies are the same as from and to the Colony proper.

There is a wireless station at Grytviken maintained by the Government which is in regular communication with Stanley through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys.

Telegraphic charges from South Georgia to the United Kingdom via Falkland Islands Radio are 1s. 4½d. a word for ordinary, 11d. a word for code, and 8¼d. a word for deferred messages.

No railways or roads exist in the Dependencies. Two floating docks are maintained at South Georgia, by the whaling companies, one at Grytviken and the other at Stromness Harbour. At Grytviken the dock has an overall length of 133 feet and a breadth of 34 feet with a lifting capacity of 600 tons. It is capable of taking vessels up to 140 feet in length and drawing 15 feet 6 inches. Stromness dock is 150 feet long, 34 feet wide and its lifting capacity is 700 tons. It will accommodate vessels up to 160 feet in length and 15 feet in draught.

There are two ports of entry only in the Dependencies, one at Grytviken, South Georgia, and the other at Port Foster, Deception Island, in the South Shetlands.

The number, nationality, and description of the vessels which entered at South Georgia in 1938 are given in the table below :—

Nationality.	*Steam.*		*Sailing.*	
	Vessels.	*Tonnage.*	*Vessels.*	*Tonnage.*
British	52	101,300	—	—
Foreign (mostly Norwegian) ...	34	54,921	1	497
	86	156,221	1	497

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. One constable is stationed at South Georgia. No cases of serious crime came before the Courts during the year. The personnel of the whaling industry forms a most peaceful and law-abiding community, rarely calling for intervention of the civil authorities. A very high standard of discipline is maintained by the managers of the several whaling stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks of any description are in existence in the Dependencies. The same facilities as are afforded in the Colony through the Treasury at Stanley by the Government Savings Bank for deposit or by the Commissioner of Currency for remittance, are available in South Georgia through the agency of the Magistrate.

The legal tender currency is British sterling and Falkland Islands £5, £1 and 10s. notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Dependencies is derived almost entirely from whaling industry and amounted in 1938 to £11,547. Export duty on whale oil and guano fell short of anticipated receipts by £3,474, while short falls were recorded under Internal Revenue—Licences—£650 and Rents—"Crown" Lands—£998. The expenditure for the year amounted to £11,547 which is equal to the revenue collected.

Comparative figures of the revenue and the expenditure for the past five years are given in the following table :—

	Revenue.	*Expenditure.*
	£	£
1934	14,892	14,892
1935	12,617	12,617
1936	24,344	19,851
1937	12,942	12,942
1938	11,547	11,547

The Dependencies have no public debt. The surplus of assets over liabilities on the 31st of December, 1938, amounted to £200,667, all of which is earmarked for the Research and Development Fund.

The principal heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and other products of the whaling industry such as guano. The amount collected by way of import duties in 1938 was £549, while export duties amounted to £8,326. The Customs tariff on importation is the same as in the Colony. Export duty on whale and seal oil was fixed at 1s. 6d. per barrel of 40 gallons or 9s. a ton. No change was made in the rate of export duty on guano which remained at 1½d. per 100 lb.

As in the Colony proper there are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

BIBLIOGRAPHY.

Books relating to the Falkland Islands.

Title.	*Author.*	*Date.*	*Publisher.*	*Price.* s.	d.
Egmont Port, Account of last expedition.*	Bernard Penrose	1775	—	—	
Falkland Islands.	G. T. Whitington	1840	Smith Elder and Co. and J. Ridgway.	—	
Falkland Islands.	Sir W. L. Allardyce, G.C.M.G.	1909	Garden City Press, Letchworth.	—	
Story of the Falkland Islands and Dependencies.	Sir T. R. St. Johnstone, K.C.M.G.	1920	Colonial Secretary's Office, Stanley.	—	
The Falkland Islands.	V. F. Boyson	1924	Clarendon Press	10	0
Falkland Islands, a short notice prepared on the occasion of the Centenary of the Colony.	J. M. Ellis	1933	Colonial Secretary's Office, Stanley.	1	0
Antarctica.	Nordenskjold and Anderson.	1905	Hurst and Blackett	18	0
Memorandum on the sheep-farming industry in the Falkland Islands.	Sir John Middleton, K.C.M.G., K.B.E.	1924	Colonial Secretary's Office, Stanley.	2	6
Report of an Investigation into the Conditions and Practice of Sheep-farming in the Falkland Islands.	Hugh Munro	1924	Colonial Secretary's Office, Stanley.	2	6
Final Report on Geological Investigations in the Falkland Islands, 1920–2.	H. A. Baker	1924	Colonial Secretary's Office, Stanley.	2	6
The Climate and Weather of the Falkland Islands.	C. E. P. Brooks	1923	Colonial Secretary's Office, Stanley.	1	0
A botanical survey of the Falkland Islands.	Carl Skottsberg	1913	Almquist and Wiksells, Uppsala.	11	6
Illustrations of the Flowering Plants and Ferns of the Falkland Islands.*	E. F. Vallentin	1921	Reeve.	42	0
Voyage of a Naturalist.	Charles Darwin	1882	John Murray	—	
Falkland Islands, wild life in.	A. F. Cobb.	1910	Gowans and Gray	0	6
Birds of the Falkland Islands.	A. F. Cobb, B.A., F.R.G.S.	1933	H. F. & G. Witherby	7	6

Books relating to the Dependencies.

Report of the Interdepartmental Committee on Research and Development in the Dependencies of the Falkland Islands.	Cmd. 657	1920	H. M. Stationery Office.	2	6
South Georgia.	L. Harrison Matthews.	1931	Simpkin and Marshall, Ltd.	15	0
Whaling in the Antarctic	A. G. Bennett	1931	Blackwood	7	6
Whaling and other Researches.	"Discovery" Reports.	1929	Cambridge University Press.	Various prices.	
Blue Book.			Annual.		

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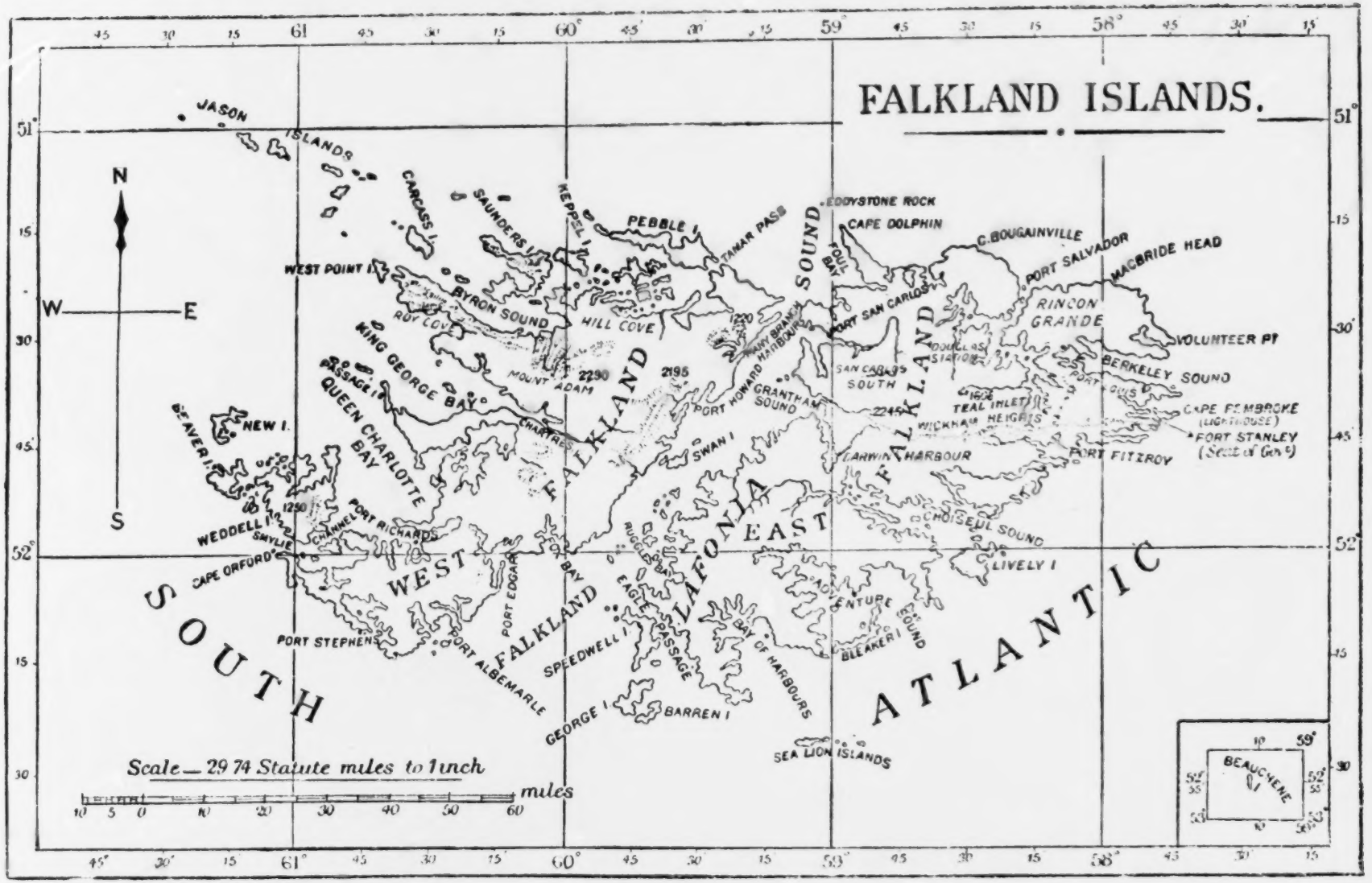

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